

DRAFT STATE OF HAWAII
TOURISM STRATEGIC PLAN
2005 – 2015

TABLE OF CONTENTS

INTRODUCTION	1
TOURISM IN HAWAII	3
VISION	6
GUIDING PRINCIPLES AND VALUES	7
IMPLEMENTATION FRAMEWORK	8
MEASURES OF SUCCESS	10
STRATEGIC DIRECTIONS	13
Access	14
Communications and Outreach	19
Hawaiian Culture	22
Marketing	25
Natural Resources	30
Research and Planning	34
Safety and Security	37
Tourism Product Development	40
Workforce Development	44

APPENDIX

APPENDIX X: Listing of Major Stakeholder Partners

APPENDIX X: Summary of Island Focus Group Meetings (March - April 2004)

APPENDIX X: Listing of Research, Studies, and Other References

INTRODUCTION

1991 State Tourism Functional Plan

In 1978, the Hawaii State Planning Act, Chapter 226, Hawaii Revised Statutes, was enacted in an effort to ensure that a comprehensive long-range plan be developed to guide Hawaii's future. The act established State goals, objectives and policies, and a Statewide Planning System to carry them out. This planning system required that the various State agencies develop a State Functional Plan to guide the implementation of State programs in their respective areas (e.g., health, education, tourism), and for use in conjunction with the County General Plans (which guided the implementation of County actions). In 1991, the *State Tourism Functional Plan* was produced which provided overall direction to the affected State agencies to address statewide tourism issues. It also served as a guide for the allocation of State resources to carry out various tourism efforts in conjunction with the Counties.

1999 Ke Kumu

In 1999, the newly created state tourism agency, the Hawaii Tourism Authority (HTA), drafted its first tourism strategic plan, *Ke Kumu: Strategic Directions for Hawaii's Visitor Industry (Ke Kumu)*. *Ke Kumu* was to provide direction for the HTA and the industry, as well as to strengthen tourism for the benefit of Hawaii's communities. The plan was based on two foundation studies:

- a competitive analysis describing the trends and competition Hawaii faces throughout the world, titled *Competitive Strategic Assessment of Hawaii Tourism*; and
- a product assessment describing both the reality and perceptions of what Hawaii provides the visitors, titled *Hawaii Tourism Product Assessment*.

This plan provided a policy directive towards "sustainable tourism" by focusing on growing spending instead of measuring tourism's success by tracking arrivals. It also divided the world into geographic segments (Major Market Areas) to direct efforts and resources to those areas with the greatest potential for success. *Ke Kumu* was shared with Hawaii's communities in a series of statewide meetings to corroborate the overall strategic direction in which the HTA and tourism should be headed.

2002 Ke Kumu

In 2001, the HTA began to revise *Ke Kumu* by gathering additional data, assessing the effectiveness of the 1999 initiatives and holding additional public meetings for further input. The resulting *2002 Ke Kumu* was a revision of the 1999 plan that reflected public input, the impact of global events such as the September 11, 2001 terrorist attacks, and more details on HTA's specific efforts within each initiative. The *2002 Ke Kumu* was approved by the HTA Board of Directors on January 30, 2002 and has since guided the HTA in the development of its programs and the allocation of its resources.

State of Hawaii Tourism Strategic Plan: 2005 - 2015

In 2003, the HTA began revising the *2002 Ke Kumu*. This process included an update of the foundation studies that examined Hawaii's competitive position; a review of other research including the *2004 Sustainable Tourism in Hawaii Study*; the gathering of comments, suggestions and concerns from the community and industry through numerous outreach efforts including the Governor's Tourism Summit, focus group and public information meetings on all islands (see Appendix xx), industry discussions, and on-line and email venues; and an assessment of the changes happening globally, locally and within Hawaii's own visitor industry.

During this process, it became clear that in addition to *Ke Kumu* (HTA's tourism plan which guides its efforts and programs), a more comprehensive and inclusive plan that addressed the needs as well as identified the responsibilities of all Hawaii's visitor industry stakeholders – those involved in and affected by tourism in the State - was needed.

The result is this *State of Hawaii Tourism Strategic Plan: 2005 - 2015 (State TSP)* which identifies a shared vision for Hawaii tourism in the year 2015 by Hawaii's tourism stakeholders. It also provides a roadmap – strategic directions, specific goals and responsible and supporting partners – for achieving that vision. The *State TSP* should not be viewed as an action plan for any one government agency, community organization or industry group.

In addition to this 10-year plan, the HTA, as the State tourism agency, will update its own plan - *Ke Kumu* – to identify specific action and implementation strategies consistent with the framework of the *State TSP*. Furthermore, understanding that a successful tourism industry cannot be achieved by any single organization, other stakeholder groups are encouraged to develop their own plans, relative to their respective areas of responsibilities. (Appendix xx lists the major stakeholders and describes their major roles in Hawaii's visitor industry). As such, the *State TSP* is intended to guide all stakeholders in working together to attain the State's vision for a Hawaii that is the best place to live, work and visit.

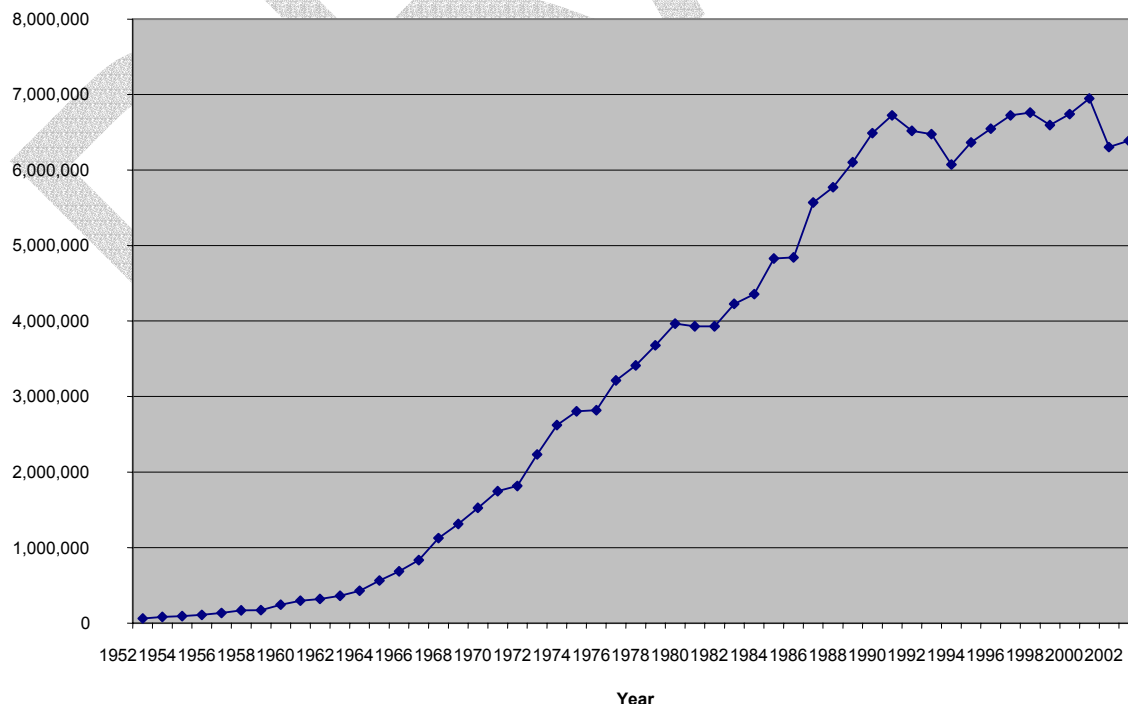
TOURISM IN HAWAII

With the arrival of the first settlers from Polynesia, Hawaii began its long history of welcoming visitors. From the mountain to the ocean, Hawaii offered, and continues to provide, stunning vistas, lush rainforests, dramatic mountain ranges, beautiful beaches, and a temperate climate - all conducive to creating a “paradise” in the middle of the Pacific. These first people, the Native Hawaiians, and Hawaii’s relative isolation have worked together to produce a distinctive destination experience found nowhere else in the world.

But Hawaii is also known for its cultural diversity. Between 1852 and 1946, approximately 395,000 people were brought to Hawaii from all parts of the world to work in the sugar fields and support this rapidly growing industry. While some chose to return to their homelands, many of these immigrant workers remained and joined the Native Hawaiians and others who already called Hawaii their home. Those who stayed and raised families forged a community in which diverse cultures and peoples merged to form the multi-cultural society that exists in Hawaii today.

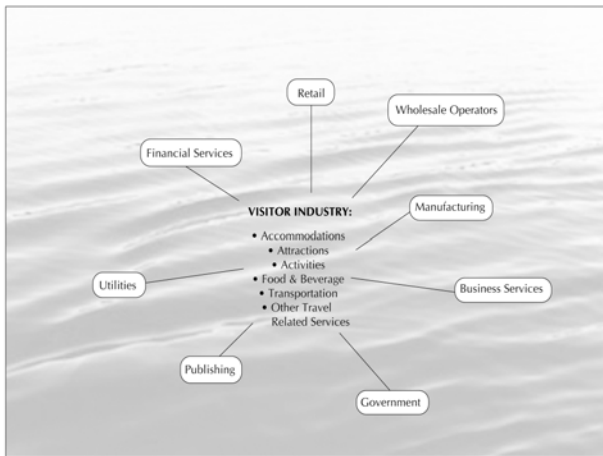
Since statehood in 1959, the visitor industry has grown to become the economic mainstay of Hawaii (see Exhibit 1). In 1991, after enjoying strong and sustained growth in tourism for more than 30 years, Hawaii experienced the beginning of a decline in visitor arrivals. Multiple factors contributed to this trend including weaknesses in key Asian economies, increased global competition, the Persian Gulf War in 1991, and Hurricane Iniki in 1992. This decline continued for several years until a recovery brought about a record year in 2000. However, this economic resurgence was short-lived as the industry, globally and locally, was devastated by the terrorist attacks of September 11, 2001. The economic woes of major countries like the U.S. and Japan, and the concerns about SARS and the Iraq War only compounded the challenges facing the tourism industry worldwide. Changing consumer preferences, shakeups in the airline industry, and technological advances have also recently contributed to revolutionary changes in the industry.

Exhibit 1. Visitors to Hawaii: 1952 – 2002
(Number of Arrivals by Air – Overnight or Longer)



Source: *Annual Visitor Research Report 2002*, Research and Economic Analysis Division, Department of Business, Economic Development and Tourism, State of Hawaii

Today, tourism is an integral part of Hawaii's community and, as the chief generator of employment in the State, has a profound influence on many aspects of the lives of Hawaii's people. In 2003, tourism provided one in every five jobs in the State. This included *direct* (travel-industry related) and *indirect* employment. The visitor industry is pervasive in Hawaii, rippling through all sectors of the economy.



Tourism is also the primary source of revenue into the community through visitor expenditures and tourism-related capital investment. Based on data and projections from the State of Hawaii's Department of Business, Economic Development and Tourism (DBEDT), in 2007 it is estimated that Hawaii's visitor industry will account for \$12.8 billion in spending for travel and tourism, which will generate, directly and indirectly, approximately 22.3% of total jobs in the State. In addition, it is estimated that the visitor industry will produce approximately 17.3% of the Gross State Product and about 26.4% of total tax revenues.

But while tourism remains the leading industry for the State, it is operating within a vastly different global environment. Hawaii continues to face formidable competitors that are investing heavily in promotion, product development and research. For example, Florida funded an \$80.7 million tourism program in 2002-2003, of which \$23.2 million was spent in advertising; and Las Vegas had a total tourism budget of \$160 million in 2002, of which \$60.1 million was spent in advertising.

However, the global economy and emerging trends have changed the competitive framework for Hawaii tourism. For instance, as a result of the terrorist attacks on September 11, 2001 and the ongoing war in the Middle East, traveler safety and security has emerged as a significant consideration in today's travel, not just from a consumer's point of view, but also, from a national security standpoint. And, the growth of timeshares, vacation rentals, cruise ships and other alternative accommodation offerings have been both a boon to the health of some companies and destinations, as well as a challenge to others. Advances in technology, consolidation of travel distribution systems, consumers' new lifestyles, greater number and variety of choices, and safety and security issues are changing the reasons people make decisions and the ways they book their trips.

The growth and development of Hawaii's visitor industry has also had varying impacts on the State, each island, and our residents. As an island state, Hawaii faces a natural constraint on the development and use of its resources. According to the *2002 Survey of Resident Sentiments on Tourism in Hawaii*, 50% of residents surveyed noted that tourism has been "mostly good" for themselves and their families (down from 58% in 1999), is a positive contributor to jobs (80%), standard of living (67%), and the overall quality of life in the islands (67%). However, significant numbers of residents also believe that tourism negatively impacts traffic (54%), crime (41%), and the cost of housing (35%). Future population growth and economic development will require more coordinated planning to create the right balance between achieving economic objectives and sustaining Hawaii's natural, physical, cultural and human resources.

These and other unique assets and resources are identified in the following exhibit which illustrates Hawaii's position in a global travel industry, highlighting Hawaii's strengths, weaknesses, opportunities and threats as it moves toward achieving a new vision for Hawaii's visitor industry.

Exhibit 2.

<p><u>PRESENT STRENGTHS</u></p> <p>Brand Awareness Climate Culture and History Destination Allure and Appeal High Visitor Satisfaction Natural Resources People and Aloha Spirit Quality and Variety of Accommodations Safe but Exotic Variety of Activities and Attractions</p>	<p><u>PRESENT WEAKNESSES</u></p> <p>Geographic Isolation Inadequate Public and Private Infrastructure Insufficient Visitor-Resident Interaction Lack of "New" Experiences Lack of Comprehensive Post-Arrival Information Lack of Stakeholder Consensus Lag in Business Tourism Visitor Expectations and Misperceptions Volatility of the Inter-Island Transportation Services Volatility of the National and International Airline Industry</p>
<p><u>FUTURE OPPORTUNITIES</u></p> <p>Business Tourism Development Cruise Industry Development Cultural Tourism Development Customize Marketing Programs by Market Development of New Markets Ferry Development Improve Natural Resources Improve Public and Private Infrastructure Increase Stakeholder Involvement in Tourism Preservation and Perpetuation of Host Culture Sports Tourism Development</p>	<p><u>FUTURE THREATS</u></p> <p>Aging Public and Private Infrastructure Anti-Tourism Sentiment Crime and Drug Use Disruptive World Events Inadequate State Funding Increased Global Competition Increased Homeland Security Measures Insufficient Airlift Internal Strife and Complacency Loss of Identity Differentiation</p>

VISION

Since its inception, Hawaii's visitor industry has experienced tremendous growth. To move forward towards a *sustainable* tourism industry for the State, thoughtfully managing Hawaii's success, a clear vision is needed. This collective vision statement is a summary of the hopes and aspirations developed from the many comments and suggestions made by Hawaii's major tourism stakeholder groups - residents, visitor industry, government, and visitors - in response to the question, "What will a successful Hawaii tourism industry look like in the future?" As such, this vision describes the five components that would make up a successful visitor industry to benefit all stakeholders in the year 2015.

By 2015, tourism in Hawaii will:

- ***provide a unique, memorable and enriching visitor experience;***
- ***honor Hawaii's people and heritage;***
- ***value and perpetuate Hawaii's natural and cultural resources;***
- ***engender mutual respect among all stakeholders; and***
- ***support a vital and sustainable economy.***

GUIDING PRINCIPLES AND VALUES

All of Hawaii's visitor industry stakeholders must actively participate to achieve this vision for the State. While each partner may implement a different portion of the plan, all parties must work towards the same purpose. The following general principles express the standards all stakeholders must work to uphold in order to successfully achieve the shared vision. In addition, the *2004 Sustainable Tourism in Hawaii Study* identifies a set of "values" and encourages the visitor industry to "strive to incorporate these key Native Hawaiian values (both concepts and practices) into the operating systems of its organizations and institutions." These values reflect many of the comments generally made by Hawaii's tourism stakeholders, and exemplify the characteristics that make Hawaii unique as a place to live in and a place to visit. These principles and values are listed below:

Guiding Principles

Sustainability – To maximize social and economic benefits to Hawaii's communities and businesses while respecting, preserving and enhancing Hawaii's natural, cultural and human assets.

Quality – To provide overall excellence in tourism products and services while ensuring that the unique character and sense of place of Hawaii are retained, treasured and respected.

Collaboration – To encourage and support ongoing dialogue, interaction and participation among all stakeholders.

Accountability – To incorporate a comprehensive system that plans effectively, measures impacts, evaluates results, and adjusts accordingly.

Native Hawaiian Values

Lokahi (harmony) - The literal translation of *lokahi* means agreement, unity, harmony or accord. The figurative translation, however, refers to a group working together toward a common goal with that common goal having a positive benefit for all.

Malama aina (nourishing the land) – The Hawaiians of old viewed themselves as stewards of the land and ocean which sustained all life. It is critical that Hawaii's fragile natural environment and resources are nurtured, protected and preserved to sustain future generations of residents and visitors.

Hookipa (hospitality) – To properly host visitors, whether invited or unexpected, is an important value in Hawaiian culture. Hawaiians of the past took great pride in hosting, welcoming or entertaining visitors.

Kuleana (responsibility) – All visitor industry stakeholders have a role to play in the future well-being of Hawaii as a place to live and a place to visit. Active collaboration, participation and cooperation from all parties are essential to attain a sustainable industry.

Aloha (welcome) – "Alo" - to face, to join, to be one with – and "Ha" – the breath of life – together are manifested and preserved by the people of Hawaii and represents the intangible spirit of the people of this land.

IMPLEMENTATION FRAMEWORK

When speaking about the “visitor industry,” what generally comes to mind are those directly involved in hotels and other accommodations, airlines, car rental agencies, visitor attractions, tour operators, and restaurants and retail operations. However, in Hawaii, tourism is everyone’s business. As the lead economic activity in the State, tourism impacts nearly all private businesses, community organizations, government, unions, visitors and residents.

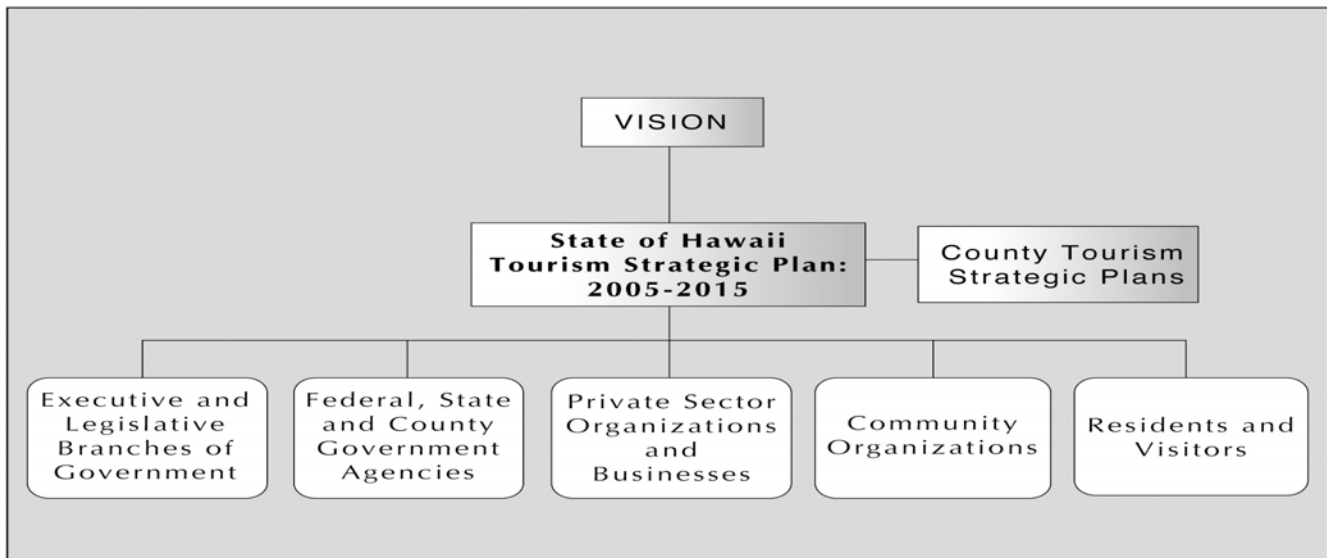
A true partnership between the community, business and government to oversee tourism marketing and development from a statewide perspective is critical. The strategic initiatives emphasized in the *State TSP* and the directions offered provide the guidance needed for all partners to work together to achieve the vision for Hawaii’s visitor industry future. Success will be achieved by embracing the desires and concerns of the community and implementing the strategies outlined in this plan.

For each major initiative outlined in the *State TSP*, lead organizations and the key supporting partners who are critical for implementing the strategies have been identified. For the lead parties, specific

actions must be developed and executed to achieve the success measures noted for the initiative. For others, the role may be one of a supporter, advocating for resources to assist the lead entities in completing their tasks. Appendix xx provides a list of stakeholders most frequently noted in this plan. Along with the most familiar acronyms used to identify the stakeholders are abbreviated descriptions of the primary mission of each group.

Stakeholder groups must review their own primary mission, resources, plans and actions, as they relate to a successful and sustainable visitor industry for Hawaii. They must also keep in mind the priorities set forth in this *State TSP*. Exhibit 3 illustrates how the *State TSP* might feed into various organizations’ plans and efforts to work to achieve the vision for Hawaii’s tourism future. The plan must be supported and accepted by the Executive and Legislative branches of government. Additionally, government agencies from all levels, private sector organizations and businesses, and community groups and individuals need to work together to implement the various components of the *State TSP*.

Exhibit 3.



The *State TSP* is intended to form the *foundation* upon which Hawaii's future as a visitor destination will be built. The plan is intended to be a *primer* for Hawaii's visitor industry in particular but has potential impact on other segments of Hawaii's total economy and future. It represents an effort to take better control of Hawaii's future, but the *State TSP* will only be successful if all

stakeholders participate and take on the tasks that fall under their areas of responsibility, as the lead organization or as a supporting partner. Cooperation, collaboration, and participation by all stakeholders will help attain the vision for Hawaii's visitor industry into the next decade.

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MEASURES OF SUCCESS

As a long-range plan, efforts must be continually monitored and evaluated, and adjustments made to keep all stakeholders on the same path to success. As the agency mandated to develop this plan, the HTA will report on four high level measurements in its annual legislative report:

- Resident sentiments;
- State and County tax receipts;
- Visitor spending; and
- Visitor satisfaction.

These measurements (which are described in more detail below) provide indicators of the overall health of Hawaii's visitor industry and, as such, will help to gauge if the State is successfully attaining its 2015 vision. Additionally, they address some of the individual initiatives in more specific ways.

It should also be noted that these four measurements are not the **only** performance measures listed in the *State TSP*. Each of the initiatives in the plan includes a set of specific indicators over and above the general measures of success that may be monitored to evaluate success and provide accountability. Each of the specific initiatives contributes to the broader overall vision and goals and, therefore, should be monitored. However, unlike these four overall measurements which HTA will report on, primary responsibility to monitor each initiative rests with the identified lead partners.

For each strategic initiative, general and specific indicators have been identified to help measure the degree of collective success in achieving the vision. Using benchmarks from previous years, Hawaii must determine whether to work towards raising the benchmark up (as in the case of tax contributions to the State) or lowering it (as in the case of reducing resident concerns about tourism). Tracking this information and the trends in the data will provide measures of success for the *State TSP* and ensure that responsible organizations are accountable for their performance.

Additional information on the four high level indicators of success and the instruments used to determine these measures is provided below:

- **Resident Sentiment Survey**

Collected and reported every two years; funded by HTA.

Benchmark Year: 2002

The *Resident Sentiment Survey* (formally, the *Survey of Resident Sentiments on Tourism in Hawaii*) is a tracking survey that uses a statistically valid sample of Hawaii residents to determine attitudes about tourism. The sample is collected so that results can be measured by island (and in certain cases, parts of islands) and demographic segments, including ethnicity. To date, there have been three surveys conducted which provide useful data points for tracking changes in resident attitudes. The HTA plans to field this survey every other year in the future to measure resident feelings about ongoing issues in the visitor industry including, but not limited to, growth, quality of life issues, job quality, and community values.

The findings of the *Resident Sentiment Survey* will primarily provide measurements for realizing the goals and objectives in *Communications and Outreach; Hawaiian Culture; Natural Resources; Research and Planning; Safety and Security; Tourism Product Development; and Workforce Development*.

The *State TSP* vision foresees a future in which tourism will "...honor Hawaii's people and heritage, value and perpetuate our natural and cultural resources, [and] engender mutual respect among all stakeholders...." The *Resident Sentiment Study* will be instrumental in measuring progress in achieving these specific elements of the vision.

- **Report on Tax Receipts**

Collected and reported every year by Hawaii State Department of Taxation.

Benchmark Year: 2003

Total tax receipts for the visitor industry are comprised of the Transient Accommodations Tax, the portion of the General Excise Tax related to tourism, and government fees and assessments (such as port fees and airport fees related to tourism). These tax revenues provide funds for the welfare of the community through public programs such as education, public safety, and natural resources, and for reinvestment into Hawaii's tourism marketing, product development and infrastructure.

Tax receipts provide a benchmark for the overall economic health of the visitor industry and (especially in the case of the transient accommodations tax) also provide funds for HTA, County and statewide programs that support tourism in Hawaii.

The *State TSP* vision foresees “a vital and sustainable economy.” Tracking tax receipts is key to measuring the attainment of this vision.

- **Visitor Expenditure Study**

Collected and reported every year by Research and Economic Analysis Division (READ) of the Hawaii State Department of Business, Economic Development and Tourism (DBEDT); funded by HTA.

Benchmark Year: 2003

Visitor spending is measured by the *Visitor Expenditure Study*. Overall expenditures are reported monthly; a more detailed presentation of expenditure data is reported annually. Tracking visitor expenditures is a long-established part of Hawaii's basic visitor data, providing planners with tracking data on visitor spending. In addition to providing data on overall spending, the *Visitor Expenditure Study* aids in evaluating plan initiatives because it breaks out data by source market (Major Market Area) and by spending category. With limited expansion in Hawaii's accommodation base, visitor spending will become increasingly important as a means to achieve economic growth in the visitor industry.

The *Visitor Expenditure Study* data will be especially useful in measuring performance in the *Marketing; Research and Planning;* and

Tourism Product Development initiatives of the *State TSP*.

Tracking visitor expenditures also provides a benchmark for achieving the State's vision of supporting “a vital and sustainable economy.”

- **Visitor Satisfaction Survey**

Collected and reported every year by READ; funded by HTA.

Benchmark Year: 2003

Measurement of visitor satisfaction is accomplished through a survey that is continuously fielded, with results reported annually. These measurements are gathered for Hawaii's major markets. In addition to measuring overall satisfaction, the survey measures satisfaction levels for different components of the visitor experience (accommodations, attractions, dining, shopping, etc.) and also provides data on what activities visitors engaged in during their vacation. All of the data can be analyzed by source market, island, and demographic characteristics.

Tracking visitor satisfaction and behavior will provide insights regarding visitor participation in cultural events, festivals, and other activities. For the private sector, it provides satisfaction feedback on the consumer experience. Additionally, it helps identify the characteristics of visitors who participate in specific activities such as golf or arts and cultural activities. The *Visitor Satisfaction Survey* touches upon a wide range of visitor experiences and, therefore, will be useful in measuring performance in all initiatives of the strategic plan.

The state's vision seeks to achieve “a unique, memorable, and enriching visitor experience.” Measuring visitor satisfaction and behavior will provide a benchmark in achieving this vision.

While implementation of the *State TSP* and its strategic initiatives may be creative, flexible and led by various organizations, agencies, and groups, this plan is intended to provide a broad, strategic framework to place all stakeholders on the same path towards a combined vision, and to guide and

energize Hawaii's visitor industry for continued success for the next decade.

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STRATEGIC DIRECTIONS

The *State TSP* has been designed to guide Hawaii to achieve its 2015 vision of a successful and sustainable tourism industry that will benefit all stakeholders. Specifically, it has been developed to address stakeholder concerns as well as deal with the ongoing and ever-changing challenges facing a global travel industry. To that end, the HTA solicited input from stakeholders to provide feedback on goals and objectives that would help the State achieve the vision of Hawaii's tourism industry in the year 2015. Importantly, issues relating to the attributes which make Hawaii unique and special – the Native Hawaiian culture and the State's natural resources– were brought up frequently. In addition to the feedback, a careful analysis of the changes in global events and local conditions elevated the need for increased emphasis on concerns related to safety and security and improving access to Hawaii.

The result of the community input and analysis of tourism information, is the identification of nine initiatives that make the strategic framework of this plan:

- Access;
- Communications and Outreach;
- Hawaiian Culture;
- Marketing;
- Natural Resources;
- Research and Planning;
- Safety and Security;
- Tourism Product Development; and
- Workforce Development.

For each initiative, the *State TSP* provides a brief background, identifies the key issues, and specifies the objectives and an overall goal that will help to contribute to the larger vision of a successful Hawaii visitor industry in 2015. Integrity for Hawaii's assets, respect for stakeholders' needs and desires, and responsibility for the industry and the State have shaped the strategies of this plan. With the support of Hawaii's communities, all levels and branches of government, and the private sector, the Hawaiian Islands will remain a great place to live, a

satisfying place to work, and one of the most exciting, premier visitor destinations in the world.

STRATEGIC INITIATIVE: ACCESS

GOAL: *To maintain and improve transportation access, infrastructure and services to facilitate travel to, from and within Hawaii.*

BACKGROUND

Hawaii's geographic isolation presents major transportation challenges for the State. These challenges are especially significant as Hawaii's visitors are heavily dependent on all modes of transport services - air, sea and land - for getting to and from Hawaii as well as between and within islands. Currently, the primary modes of transportation in the State used by visitors are air carriers, cruise ships, ferries, public transportation vehicles, private buses, rental cars and taxis. A new ferry system, expected in 2006, may add to the existing systems and provide another viable alternative for future inter-island travel.

In addition to transport services, this initiative also encompasses the facilities and infrastructure used to support these modes of transportation - airports, harbors and highways. While many of the infrastructural challenges – such as increased traffic congestion – are not only the result of visitor use, working to alleviate these challenges will ease travel for visitors as well as for Hawaii's residents.

CRITICAL ISSUES

- ***Ensuring adequate airlift to Hawaii has become a challenge due to the increased volatility of the airline industry.*** The airline industry entered a new era as a result of the September 11th terrorist attacks on the U.S., when the country's air travel system was grounded, reinforcing the importance of the airline industry to tourism, and tourism's importance to Hawaii. Since then, the airline industry has faced tremendous challenges including increased concerns for air safety, higher operating and fuel costs, changing fleet structures, technological advances and changes in consumer behavior. In dealing with these challenges, many carriers have sought to reorganize, cut costs by reducing less-productive

flights and eliminating jobs, and reevaluate profitability margins.

- ***Unstable financial viability of inter-island air carriers impacts local air service.*** Due to financial challenges, Hawaii's two primary inter-island carriers have revamped their respective business models, focusing current and future plans for their companies on increasing trans-Pacific routes. Currently, these carriers continue to offer inter-island service but with higher pricing structures and reduced scheduling. Inter-island flights have been rescheduled utilizing Honolulu as a hub for inter-island service and ticket pricing has been reevaluated in order for the inter-island carriers to provide profitable inter-island service.
- ***Hawaii's growing cruise industry and its impact on existing harbor facilities.*** Cruise lines are a fast growing segment of Hawaii's travel industry. Major cruise lines are increasingly looking at the Hawaii's potential for additional cruising. In 2002, it was reported that there were 242,114 cruise ship passengers in Hawaii. Numbers are expected to increase dramatically as Norwegian Cruise Line (NCL) and other cruise lines expand their investments in Hawaii cruising. For instance, by 2005, if NCL has two U.S. ships operating interisland cruises year-round as planned, this line alone will carry about 400,000 passengers. By 2006, NCL is reported to have plans to commit a third of its fleet, about \$1.3 billion in cruise assets, to the Hawaiian islands. By 2007, NCL has further reported that it will host 520,000 passengers. Even with the cruise industry at its current levels, infrastructure and operational challenges exist in harbor facilities statewide, especially outside of Honolulu, where some harbors can only berth one large ship at a time (*see also Research and Planning*).

- ***More traffic on roads and highways.*** The State's roads and highways are not only one of our most important means of transportation, but also used by visitors for sightseeing. In some areas of the State, traffic generated by visitors plays a major role in traffic congestion.

Planning for highway and roadway improvements is on-going and largely proactive. The *Statewide Transportation Improvement Program* (STIP) identifies transportation programs totaling approximately \$967 million to be implemented during the three-year program period (Oahu - \$482 million; Hawaii - \$262 million; Maui - \$169 million; and Kauai - \$32 million). The projects include those eligible for federal funding assistance as well as regionally significant, locally funded projects.

Review of various highway improvement plans reveal that some neighbor island residents have generally opposed widening two-lane highways to four lanes, constructing bypasses, and constructing new roads because they want to "keep the country, country." This has delayed the implementation of highway improvements planned to accommodate increasing traffic, particularly on Maui and West Hawaii.

- ***Arrival and departure facilities and experiences continue to impact first and last impressions of Hawaii's visitors.*** Hawaii's airports are not just a transportation system but an integral part of the hospitality industry. The airport system must also meet the requirements of increased Homeland Security rules and regulations because of current global and political conditions, while still offering convenience and efficiency to the airlines and visitors. Most visitors' first and last experiences in Hawaii happen at a State airport. Therefore, it is imperative that the arrival and departure experience at all airports is efficient, cost effective for the airlines, easy to access and navigate through, and one that conveys the spirit of *aloha*.

Some visitors experience Hawaii as cruise ship passengers, arriving and departing at harbors throughout the State. The majority of Hawaii's harbors were built for functional purposes such as small boat harbors or to handle island cargo needs and, as such, lack ambiance and are

inadequate for the current and projected needs of the cruise industry, and existing and proposed ferry systems. Complicating harbor planning is the fact that larger harbors are under the jurisdiction of the State Department of Transportation and smaller harbors are managed by the State Department of Land and Natural Resources.

- ***Global conditions require increased Homeland Security operations to ensure travelers' safety.*** The war on terrorism has led to infrastructure challenges at Hawaii's airports and harbors due to the increased security measures required to meet the Homeland Security rules and regulations. New regulations and infrastructural challenges have created congestion and longer wait times at check in counters, baggage screening areas and security check points.
- ***Increased Homeland Security measures heavily impact the international visitor market.*** The Department of Homeland Security (DHS) has administered the nation's immigration laws since March, 2003 when Immigration and Naturalization Services became part of DHS, currently named Customs and Border Protection (CBP). DHS has implemented a new entry/exit process called US Visit. US Visit is part of a continuum of security measures that begins overseas, when visitors apply for a visa to enter the US and continues through entry and exit at US air and seaports. Because of these increased security measures, which now require both a written application and a face-to-face interview, potential visitors from non-visa waiver countries have had difficulties in obtaining visas to enter the US. Additionally the US Visit program at Hawaii's ports of entry, currently for only non-visa waiver countries, has lengthened the processing time in our customs and immigration facilities. Beginning October 1, 2004 all international passengers will have to process through the US Visit program when entering Hawaii's ports. Because of the limited infrastructure space at Honolulu and Kona International Airports, minimal CBP officers and high volume arrival times by international flights within a short period of time, it is anticipated that the processing time for customs and immigration will be approximately 71 minutes per passenger. Infrastructure at Honolulu

International Airport is not adequate to accommodate the numbers of guests given the lengthy processing time.

- ***Quality of ground transportation services continues to be a challenge.*** There are other transportation issues that affect a visitors' traveling experience while in Hawaii. As an example, on some islands, rental car agencies do not service renters if flights are delayed past their regular operating hours. Also, some of the regulations that apply to ground transportation service providers are either inconsistent or not enforced, resulting in different qualities of service provided to the visitor. A third issue is the overall quality of taxi services with problems relating to the fact that there are various levels of service provided by different taxi companies (e.g., poorly maintained vehicles and drivers who lack knowledge of Hawaii's roadways or have language challenges).

STRATEGIC DIRECTIONS

Sufficient, convenient, efficient and enjoyable access to, from and within Hawaii is critical to Hawaii's visitor industry success. The strategic planning for this initiative encompasses the following objectives that relate to air, land and sea transportation systems:

- ***Ensure adequate airlift to Hawaii by:***
 - Leveraging opportunities to benefit both the State and the air carriers providing service from out-of-state markets.
 - Developing a strong partnership between government officials and Hawaii's carriers to ensure that all are kept abreast of trends and challenges facing the airline industry (*see also Communications and Outreach*).
 - Being proactive in working with the airlines to ensure that flights are not reduced and to encourage new flights and routes to Hawaii.
 - Encouraging input from airlines and others for airport master plans to ensure that improvements support and not discourage air carriers to maintain or increase service to Hawaii (*see also Research and Planning*).

- ***Improve inter-island transportation services by:***
 - Supporting inter-island ferry services and inter-island air carriers.
 - Providing improved airport shuttle services, better waiting room facilities and passenger amenities at all terminals.
- ***Improve harbors and supporting systems by:***
 - Conducting periodic impact assessments taking into account increased cruise and ferry usage, as well as cargo, ocean activity and other commercial operations (*see also Research and Planning*).
 - Conducting ongoing and coordinated planning to make appropriate improvements (*see also Research and Planning*).
 - Expanding pier facilities and services at harbors targeted for increased cruise and ferry usage.
 - Providing better informational and directional signage, and exploring alternative funding programs that could enhance the aesthetic experience of surrounding areas.
- ***Improve roads, highways and ground transportation systems by:***
 - Conducting periodic traffic impact assessments, and ongoing and coordinated planning to make appropriate improvements (*see also Research and Planning*).
 - Providing better informational and directional signage leading to and along roadways.
 - Prioritizing and funding targeted road improvements.
 - Providing public transportation where possible.
 - Exploring federally funded programs such as the Scenic Byways and Heritage Corridor programs as alternatives that could enhance the aesthetic experience of roads that also serve as "visitor attractions."
- ***Facilitate positive arrival and departure experiences at major ports of entry by:***
 - Improving amenities such as shuttle bus services, and informative and directional signage.
 - Improving infrastructure at airports and harbors, and ensuring a "Hawaiian sense of place" at these sites.
 - Providing hospitality training for staff that deal with visitors (e.g., immigration, customs,

security and agricultural inspectors), and providing a sufficient number of staff to ensure efficiency in operations (*see also Workforce Development*).

- Exploring establishment of uniform standards for taxi drivers, tour bus operators and other ground transportation service providers to ensure safe and improved service.

- ***Ensure safe passage for residents and visitors*** by:

- Ensuring that Homeland Security issues are addressed.
- Providing adequate security staffing and coordinating security needs with flight schedules.
- Improving physical operations at security gates (roomier and more attractive queuing areas) and providing better informational and directional signage.

- ***Expedite processing of visas*** by:

- Ensuring that Customs and Border Protection (CPB) has adequate staffing to process international guests in a timely manner and that all CBP booths are staffed and operational during peak international inbound hours.
- Improving infrastructure to adequately address the US Visit process in a hospitable and friendly manner.
- Encouraging Department of Homeland Security to adequately staff the embassies in order to expedite visa applications in a timely manner.
- Encouraging Department of Homeland Security to find alternatives and opportunities for issuing multi-visit visas for business and leisure travelers that are deemed to be non-threatening to national security.
- Encouraging Department of Homeland Security to work with the governments of non-visa waiver countries to establish improved application and processing parameters.

- ***Encourage coordination, collaboration and improved ground transportation services*** by:

- Ensuring a minimum level of service such as having car rental companies remain open to provide services for travelers delayed by flights.
- Encouraging car rental agencies to review their policies regarding responsibilities to renters who are involved in traffic accidents.

STRATEGIC FRAMEWORK: ACCESS

GOAL

To maintain and improve transportation access, infrastructure and services to facilitate travel to, from and within Hawaii.

OBJECTIVES

- Ensure adequate airlift to Hawaii.
- Improve inter-island transportation services.
- Improve harbors and supporting systems.
- Improve roads, highways and ground transportation systems.
- Facilitate positive arrival and departure experiences at major ports of entry.
- Ensure safe passage for residents and visitors.
- Expedite processing of visas.
- Encourage coordination, collaboration and improved ground transportation services.

Lead:	Government: Department of Transportation, Department of Land and Natural Resources, County planning and transportation-related departments Private Sector: Transportation companies (e.g., airlines, tour bus and taxi companies, rental car agencies, cruise lines, ferry services) Community: Hawaii Car and Truck Renting and Leasing Association, Hawaii Transportation Association
Supporting Groups/Agencies:	Office of the Governor, Homeland Security Departments of Customs and Border Protection and Transportation Security Administration, HTA, Public Utilities Commission, Federal Aviation Administration, Federal Department of Transportation, other government agencies, other harbor users, residents and visitors
Measures of Success:	Specific to issues related to access, the following measurements provide an indication of success: <ul style="list-style-type: none">• Increased scheduled flights to and within Hawaii• Decreased traffic congestion• Updated and coordinated state and county master plans for airports, harbors and highways• Faster check-in and security processing times at airports and harbors

STRATEGIC INITIATIVE: COMMUNICATIONS AND OUTREACH

GOAL: *To improve the understanding and appreciation of tourism by all stakeholders.*

BACKGROUND

In Hawaii, tourism is the primary economic engine, accounting for one out of every five jobs in the State, producing 22 percent of the gross state product and generating one-quarter of total State and County tax revenues. For this reason, everyone is a stakeholder in Hawaii tourism – residents, private business, government agencies and visitors. For tourism to succeed, all of the stakeholders need to feel that their issues and feelings are understood – and that they understand and appreciate the concerns and issues of other stakeholders.

The strategies outlined for this initiative are intended to accomplish the following: 1) ensure that information about tourism's benefits, impacts, issues or concerns is accurately and consistently communicated to all stakeholders; and 2) ensure that there are opportunities for ongoing dialogue, participation and involvement in tourism matters by all stakeholders.

CRITICAL ISSUES

Stakeholder attitudes are critical to the success of the visitor industry and the maintenance of community values.

- **Residents.** According to the 2002 *Survey of Resident Sentiments on Tourism in Hawaii*, 50% of residents surveyed noted that tourism has been “mostly good” for themselves and their families (down from 58% in 1999). Eighty-eight percent of residents also support at least some form of managed growth in tourism. A sampling of results from the survey shows that residents believe that tourism is a positive contributor to jobs (80%), shopping choices (70%), standard of living (67%), and the overall quality of life in the islands (67%). Despite these generally positive feelings towards tourism, significant numbers of residents believe that tourism negatively impacts traffic (54%), crime (41%), the cost of

housing (35%), and other quality of life issues. From the community meetings that were held in conjunction with the development of this plan, some residents expressed feelings that tourism is not consistent with local community values and that there is a lack of understanding, respect, or acknowledgement by the visitor industry of the community's concerns regarding tourism. Left unchecked, these community concerns may result in a resentment of the tourism industry and an erosion of the *aloha* spirit.

- **Visitor Industry.** Although tourism is the economic mainstay of Hawaii - providing jobs and generating tax revenues that support important public programs (e.g., schools, highways, police and parks) - many visitor industry stakeholders feel that public awareness, appreciation and respect for the industry's value and contributions are low even among the industry workforce. The visitor industry has not communicated well with the community about the value and contributions of tourism to Hawaii's quality of life.
- **Policy Makers.** To ensure the development of tourism plans, policies and programs are in line with stakeholder desires and maximize benefits to Hawaii's communities, Hawaii's policy-makers need: 1) accurate and consistent information about tourism issues and plans, and 2) regular input from residents and the industry about tourism issues and concerns.
- **Visitors.** The quality of a Hawaii visitor's experience is affected by the accuracy, consistency and availability of the information provided about the destination. To fully appreciate Hawaii, visitors need easily accessible information on what to expect in Hawaii (events, activities and attractions) and what is expected of them (protocol at Hawaiian cultural sites; proper use of parks, beaches, trails and roads; safety procedures to prevent

crime and in emergency situations). Without this, visitors may be disappointed that Hawaii did not meet their expectations; or they may behave in ways that alienate island residents.

STRATEGIC DIRECTIONS

The long-term success of tourism in Hawaii is ultimately dependent on all stakeholders gaining a better understanding of and sensitivity to, each other's needs and concerns. To foster this, the strategic planning for this initiative identifies the following objectives:

- ***Raise the awareness of stakeholders' concerns about tourism among the various players*** by:
 - Conducting and distributing the findings of stakeholder surveys to the other stakeholders groups (i.e., resident surveys to industry and policy-makers, and vice-versa).
 - Conducting outreach programs that would allow representatives from all stakeholder groups to air their concerns and questions about various tourism issues.
- ***Increase stakeholders' knowledge and understanding of tourism issues and impacts*** by:
 - Providing and coordinating accurate and consistent information about tourism issues, benefits and impacts for Hawaii residents.
 - Continuing research programs that can provide objective measurements of resident attitudes in order to provide feedback to the visitor industry and policy makers for use in development of tourism plans, programs and policies (*see also Research and Planning*).
 - Improving programs aimed at informing visitors about what to expect when visiting Hawaii and what is expected of them.
- ***Support efforts that involve stakeholder participation, collaboration, interaction and discussion on tourism issues and efforts*** by:
 - Developing and coordinating outreach programs such as an annual conference on tourism (on specific topics on an as needed basis) that allow stakeholders to share information and ideas as well as generate

stakeholder interaction and participation about tourism issues.

- ***Provide and promote opportunities that involve resident and visitor interaction*** by:
 - Supporting programs that encourage interaction among residents and visitors (such as the Aloha Festival) as well as providing information to both groups about those types of events (*see also Tourism Product Development*).

STRATEGIC FRAMEWORK: COMMUNICATIONS AND OUTREACH

GOAL

To improve the understanding and appreciation of tourism by all stakeholders.

OBJECTIVES

- Raise the awareness of stakeholders' concerns about tourism among the various players.
- Increase stakeholders' knowledge and understanding of tourism issues and impacts.
- Support efforts that involve stakeholder participation, collaboration, interaction and discussion on tourism issues and efforts.
- Provide and promote opportunities that involve resident and visitor interaction.

Lead:	Government: HTA and Counties Private Sector: Visitor industry organizations and businesses Community: Community groups, residents, visitors
Supporting Groups/Agencies:	Other governmental agencies including DBEDT, DLNR, DOT, DoTax, and unions, and non-profit organizations
Measures of Success:	Specific to issues related to communications and outreach efforts, the following measurements provide an indication of success: <ul style="list-style-type: none">• Questions in Resident Sentiment Surveys regarding attitudes about tourism remain positive and/or improve• Questions in Visitor Satisfaction Surveys about quality of the visitor experience remain positive and/or improve• Outreach programs are regularly scheduled and provided on an as needed basis• Funding levels for tourism programs and efforts are maintained and/or increased

STRATEGIC INITIATIVE: HAWAIIAN CULTURE

GOAL: *To honor and perpetuate the Hawaiian culture and community.*

BACKGROUND

A successful, sustainable tourism industry honors Hawaii's host culture, its people and their history; protects its unique natural environment; and engages local communities. The Native Hawaiian culture, which is valued by many visitors, is one of the key aspects of the Hawaii visitor experience that is globally unique and separates this experience from all others.

A visitor experience occurs whenever the following three elements converge: *visitor*, *host* and *place*. Much of Hawaii's tourism industry subscribes to the prevailing "customer is always right" business model that recognizes the "visitor" as the most important of the three elements, while the Native Hawaiian *hookipa* model is "place" based. As set forth in the 2004 *Sustainable Tourism in Hawaii Study (Sustainable Tourism Study)* relating to *Socio-Cultural Impacts of Tourism in Hawaii: Impacts on Native Hawaiians*, the Native Hawaiian practice of *hookipa* (the practice of greeting and welcoming strangers), is an important cultural component that is deeply embedded in the Native Hawaiian behavior system, where *aina* or the "place" is the focal point.

To successfully operate within the contemporary "western" model, the "place" and the "host" must continually change and adjust to accommodate the "visitors" needs. This approach results in destinations looking alike and in Hawaii's case, leading Native Hawaiians feeling disengaged from the industry and the visitors.

As noted in *Socio-Cultural Impacts of Tourism in Hawaii: Impacts on Native Hawaiians*, the "preferred business model embraced by Native Hawaiians is a model that makes preserving the dignity and cultural landscape of the place as the most important element...Italy is particularly filled with township models such as Florence and Venice, where preservation of the place equals

sustainable market share...Sustainability and the preservation of the cultural landscape is the new model of global tourism...Such a model is more sustainable because it preserves the goodwill of the host by celebrating the place and maintains the market value of the destination by preserving its cultural uniqueness."

CRITICAL ISSUES

- ***"Disconnect" exists in the relationship between the visitor industry and Native Hawaiian community.*** The Native Hawaiian culture is unique to Hawaii and is promoted to attract visitors; however, many Hawaiians feel alienated by the visitor industry. As noted in the *Sustainable Tourism Study*, many Native Hawaiians feel that the growth of the tourism industry has compromised their cultural integrity in the global marketplace, diminished their presence in Hawaii's visitor centers, devalued their sacred places and seriously compromised a Native Hawaiian sense of place in areas like Waikiki.
- ***The Hawaiian culture is often inaccurately portrayed.*** Native Hawaiians and their culture are frequently used in marketing campaigns without appropriate consultation, which can result in misleading, and inaccurate portrayals. Visitor industry employees, who lack knowledge about the Native Hawaiians and their culture, can also contribute to this distortion and misrepresentation. In addition, the Hawaiian culture and other Pacific Island cultures are often presented together, leading to the homogenization of cultures and further misrepresentation of the Native Hawaiian culture.
- ***The Hawaiian culture needs to be respected and perpetuated.*** For a culture to be perpetuated for future generations, it must be protected, respected and valued. As such, Hawaiian cultural practitioners, musicians,

craftspeople and artists who keep the culture “alive” and make Hawaii a special place need support and nurturing. In addition, Hawaiian cultural sites are important to Hawaii’s heritage and valuable to the visitor industry. All cultural sites, those appropriate for visitation and those sacred and inaccessible to the public, must also be respected and protected.

STRATEGIC DIRECTIONS

While there is a desire to perpetuate and preserve Hawaii’s host culture, a “disconnect” between the Native Hawaiian community and the visitor industry remains. As such the strategic planning for this initiative identifies the following objectives:

- ***Strengthen the relationship between the visitor industry and the Hawaiian community*** by:

- Increasing the collaboration between visitor industry and Native Hawaiian organizations such as the Native Hawaiian Hospitality Association (NaHHA), State Office of Hawaiian Affairs (OHA), Hawaiian Royal Societies and Association of Hawaiian Civic Clubs, to allow for the sharing of ideas and to provide opportunities for interaction and understanding.
- Exploring opportunities for representatives of Native Hawaiian organizations to actively participate in visitor industry organizations or to provide their input (permission, collaboration, participation) in tourism planning and policy development.
- Instructing local, state and national policy-makers in Native Hawaiian cultural practices and protocols that are relevant to a sustainable tourism industry.

- ***Strive for sensitive portrayals of the Hawaiian culture by creating visitor experiences, activities and marketing programs that are respectful and accurate*** by:

- Encouraging the visitor industry to solicit input from Native Hawaiian groups, or consult with cultural practitioners to accurately portray cultural activities and programs.
- Providing education and training about the Native Hawaiian culture and related issues

(such as sovereignty efforts) for individuals working in the visitor industry (e.g., owners, employees, managers, commercial tour operators, and others) who have direct contact with Hawaii’s visitors (*see also Workforce Development*).

- Developing interpretive and other signage in two “official” languages - Hawaiian and English – to add credibility to the native language while educating visitors and residents.
- Developing educational programs for visitors and residents to inform and expose them to authentic Hawaiian language, culture, values and arts, while at the same time, perpetuating Hawaiian culture, values and hospitality.
- Increasing the use of Hawaiian words and place names throughout the State and enhancing Hawaiian studies programs that add to the “sense of place” and distinguish Hawaii from other destinations.

- ***Support Hawaiian programs and cultural practitioners, craftsmen, musicians and other artists to preserve and perpetuate Hawaiian culture where appropriate*** by:

- Identifying and developing protocol for access to and care of appropriate Hawaiian cultural resources and sites to help manage Hawaii’s fragile cultural and historic resources.
- Providing fair compensation for the use of intellectual property by those who preserve and perpetuate the Hawaiian culture and share this knowledge with residents and visitors to convey the value for this knowledge.
- Supporting Hawaii’s agricultural and arts and crafts industries by allowing airports and harbors to only sell unique Hawaii-made products.

STRATEGIC FRAMEWORK: HAWAIIAN CULTURE

GOAL

To honor and perpetuate the Hawaiian culture and community.

OBJECTIVES

- Strengthen the relationship between the visitor industry and the Hawaiian community.
- Strive for sensitive portrayals of the Hawaiian culture by creating visitor experiences, activities and marketing programs that are respectful and accurate.
- Support Hawaiian programs and cultural practitioners, craftsmen, musicians and other artists to preserve and perpetuate Hawaiian culture where appropriate.

Lead:	Government: Office of Hawaiian Affairs Private Sector: Native Hawaiian Hospitality Association, visitor industry organizations and businesses Community: Hawaiian organizations and cultural practitioners
Supporting Groups/Agencies:	HHLA, A3H, State Foundation on Culture and the Arts, HTA, other government agencies, business organizations, residents and visitors
Measures of Success:	Specific to issues related to the Hawaiian culture, the following measurements provide an indication of success: <ul style="list-style-type: none">• Increasing the number of representatives from the Native Hawaiian community on visitor industry organizations and boards• Residents and visitors express satisfaction and appreciation for Native Hawaiian culture (Resident Attitude Survey, Visitor Satisfaction Survey)• Educational programs and material have been developed for educating visitors and those working in the industry on authentic Hawaiian language, culture, music and crafts, and Hawaiian sovereignty issues• Marketing programs for the State have been reviewed by representatives from the Native Hawaiian community and reflect sensitive and accurate portrayals of Native Hawaiians and Hawaiian culture• Native Hawaiians have identified cultural sites that can be visited and those that are to be restricted, and have developed protocol for all sites

STRATEGIC INITIATIVE: MARKETING

GOAL: *To develop marketing programs that contribute to sustainable economic growth.*

BACKGROUND

Hawaii's accommodations have limited capacity for growth in visitor days and visitor census and there are no significant plans for expansion of the existing base. In fact, the conversion of some existing hotel properties to timeshare units or condominiums will partially offset the increase in capacity resulting from the growth of the cruise industry. As a result of these limits, the focus of marketing programs will emphasize increased visitor expenditures rather than an increase in visitor arrivals. Visitor expenditures are a product of 1) expenditures per person per day times, 2) visitor arrivals, times 3) length of stay.

In order to achieve an increase in expenditures without significant increases in visitor arrivals, the role of marketing needs to be focused on two key points: 1) selectively targeting visitors who have higher disposable incomes and higher spending habits and 2) creating a relevant brand image that communicates Hawaii's unique culture and the diversity of things to see, do, and experience here.

Recognizing that the term "marketing" encompasses a broad range of activities including research and product development, this initiative focuses on those aspects of marketing which drive "demand." In particular, strategies for this initiative center around advertising, promotions, sales and public relations efforts that affect Hawaii's desirability as a visitor destination.

CRITICAL ISSUES

- ***Hawaii's strong leisure image makes it difficult to establish it as a serious business destination.*** Hawaii is well recognized as a premier leisure destination. However, the strong "resort" image for Hawaii has hampered development of meetings and convention business, and other business activity in the State. Development of the business visitor market contributes to an overall increase in

visitor expenditures, since these visitors spend more per person per day than leisure visitors. In 2002, business visitors from the US West spent 20.5% more than their leisure counterparts; for the US East the premium for business visitor spending is 30.5%; and for Japan the premium is an additional 4.7% in spending. Additionally, business meetings account for expenditures beyond those accounted for by individuals, since business meetings often require staging, rentals, transportation, and other business services. To attract higher spending business visitors, Hawaii must create marketing programs that appeal to both the leisure and business market segments.

- ***Competitive environment for travel and tourism has become very intense.*** Florida funded an \$80.7 million tourism program in 2002-2003, of which \$23.2 million was spent in advertising. Las Vegas had a total tourism budget of \$160 million in 2002, of which \$60.1 million was spent in advertising. The Guam marketing and advertising budget for 2002 was \$13.6 million, most of which was spent in Japan. In contrast, the total tourism budget for the Hawaii Tourism Authority in 2004 is \$61 million, of which \$34 million is spent on leisure marketing, \$8 million is spent on business marketing, and \$8 million is spent on sports marketing. In response to this intensely competitive environment, marketing programs for Hawaii must be carefully targeted and utilize cooperative programs with industry partners when appropriate.
- ***Hawaii has suffered from business downturns in the past because it was too reliant on a few markets.*** Any single market can be affected by economic downturns, currency fluctuations or other disruptions. Historically, individual markets have been adversely affected by long-term trends (such as the decline of the Japan market from 2.2 million visitors in 1997 to 1.3

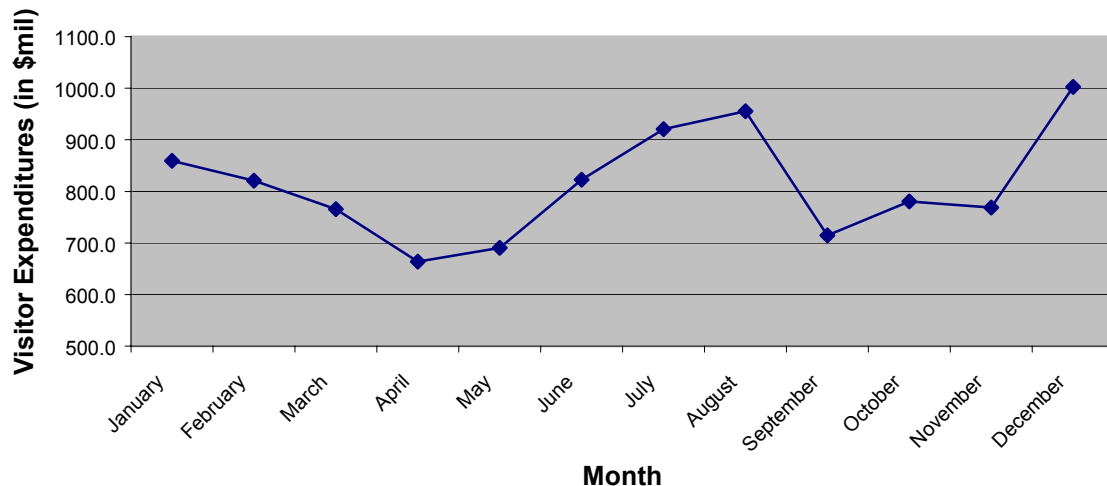
million visitors in 2003) as well as short-term disruptions (such as the impact on the North America market when United Airlines went on strike or when DC-10 aircraft were grounded). In addition, recent events have demonstrated the fragile nature of the visitor industry. Terrorist attacks, health crises, political and economic changes, transportation disruptions

- ***Different geographic markets have different***

and other challenges are a constant threat, even if these incidents occur outside of Hawaii. While specific occurrences are impossible to anticipate, Hawaii must plan for catastrophic events by creating contingency plans and maintaining a high degree of flexibility in its programs.

have developed island-specific marketing

Exhibit 4. Visitor Expenditures: 2003



conditions and needs. To appeal to different geographic markets, the HTA (on behalf of the State) has defined major market areas (MMAs) based on visitor characteristics, state of market development, and competitive environment. The following are the State's MMAs:

1. US West (9 Western States)
2. US East (all remaining States)
3. Japan
4. Canada
5. Europe
6. Latin America
7. Other Asia (outside of Japan)
8. Oceania (Australia/New Zealand)
9. Other

- ***Need to balance statewide and island specific marketing programs.*** In Hawaii's development as a destination, well-established markets like the US West and Japan have become very familiar with the State's name and image. Each of Hawaii's main islands has established marketing organizations, which

programs that fit within the State's overall marketing efforts. The growth of direct flights from source markets to individual neighbor islands has increased the tendency of some visitors to consider their destination to be a specific island rather than Hawaii as a state. Each of Hawaii's islands possesses unique characteristics and strengths, which contribute to the continuing appeal of Hawaii as a destination. In some market areas, however, detailed consumer knowledge of Hawaii is relatively low and marketing the State as a destination is a priority. Marketing plans must clearly identify and balance the scope and role of island-specific and statewide marketing programs in order to maximize marketing efficiency.

- ***Coordinating marketing with product development programs is critical for well-planned development.*** The sustainable development of Hawaii as a destination requires the continued self-evaluation and development and communication of relevant

attractions, activities and experiences. Development of new markets (such as health and wellness, nature, weddings and romance, etc.) are especially dependent on product marketing that fits the travel needs of these special interest consumers. In addition to *brand* marketing (which establishes the destination's identity), Hawaii marketing will support *products* targeted to specific, high-spending market segments. To be effective, product marketing requires close coordination between the State's marketing and product development groups, contractors, and industry partners.

STRATEGIC DIRECTIONS

Through effective and collaborative efforts (within HTA and with contractors and the private sector), marketing programs will be designed to attract leisure and business travelers who contribute to increasing visitor spending and length of stay. To accomplish this, the following objectives have been established:

- ***Increase the percentage of total visitor expenditures from business-related travel*** by:
 - Focusing marketing efforts on carefully selected target customers who are suitable prospects for off-shore meetings in Hawaii's hotel and Convention Center facilities.
 - Creating a "dual brand" for Hawaii, so that a compelling business image coexists with Hawaii's successful leisure travel brand.
- ***Target marketing efforts to counter competitors' larger marketing budgets*** by:
 - Developing a brand image that portrays Hawaii as a one-of-a-kind destination with a unique culture and a variety of experiences.
 - Basing marketing programs on solid research, and targeting demographic and lifestyle groups who have the means and the desire to fully experience all that there is to see, do and experience in Hawaii (*see also Research and Planning*).
 - Promoting Hawaii product offerings (e.g. golf, weddings/romance, arts and culture, etc.) that provide unique and relevant travel experiences for special interest and higher spending visitors.
- Focusing marketing programs on a limited number of consumer interest areas (or "vertical markets") to achieve effective marketing support in those areas that are most likely to contribute to the goal of increasing visitor expenditures.
- Evaluating prospective vertical markets based on market size, consumer spending, accessibility, and the distinctiveness of Hawaii's product offerings (*see also Research and Planning and Tourism Product Development*).
- Developing and supporting sports events that can establish Hawaii as a world-class venue and generate media exposure for the destination.
- ***Provide for stability in the visitor industry*** by:
 - Developing a "portfolio" of source markets that will minimize the negative impacts of disruptions in any single market and creating programs that generate additional support in traditional "shoulder" seasons" (spring and fall).
 - Supporting programs that promote sustainable airlift (*see also Access*).
 - Developing marketing programs that continue to attract first time visitors to Hawaii.
 - Developing contingency plans and incorporating flexibility into marketing programs.
- ***Focus marketing efforts to address differences between MMAs*** by:
 - Allocating marketing resources and identifying performance measures based on an assessment of their return on investment (defined by visitor expenditures) and long term potential for development.
 - Regularly measuring consumer attitudes and behavior through objective research and conducting regular assessments of marketing programs both internally and through input from stakeholders (*see also Research and Planning*).

- ***Coordinate statewide and island specific marketing efforts*** by:
 - Coordinating and balancing statewide and island-specific marketing programs, and improving collaboration between HTA, its contractors, and the private sector to generate cooperative funding and to synchronize marketing efforts.
- ***Coordinate marketing and tourism product development efforts to maximize performance*** by:
 - Facilitating close coordination and collaboration between all stakeholders (*see also Tourism Product Development*).

STRATEGIC FRAMEWORK: MARKETING

GOAL

To develop marketing programs that contribute to sustainable economic growth.

OBJECTIVES

- Increase the percentage of total visitor expenditures from business-related travel.
- Target marketing efforts to counter competitors' larger marketing budgets.
- Provide for stability in the visitor industry.
- Focus marketing efforts to address differences between MMAs.
- Coordinate statewide and island specific marketing efforts.
- Coordinate marketing and tourism product development efforts to maximize performance.

Lead:	Government: HTA and its marketing contractors Private Sector: Visitor industry businesses and organizations
Supporting Groups/Agencies:	DBEDT and other government agencies including the Counties, tourism product development organizations and businesses, other private businesses
Measures of Success:	Specific to issues related to marketing, the following measurements provide an indication of success: <ul style="list-style-type: none">• Increases in business spending and leisure spending• Appropriate and desirable business and leisure traveler mix by MMA by island is determined with input from the island chapters and industry• Visitor spending by business travelers shows annual increases• Statewide and island-specific marketing resources reviewed and reallocated periodically to maximize performance in each MMA• Consistent increases in scores for intention to travel to Hawaii and comprehension of Hawaii's key attributes

STRATEGIC INITIATIVE: NATURAL RESOURCES

GOAL: *To respect, enhance and perpetuate Hawaii's natural resources to ensure a high level of satisfaction for residents and visitors.*

BACKGROUND

Hawaii's diverse array of natural resources such as parks, beaches, trails, and waterfalls are unique attributes that make the Islands a wonderful place for residents to live and an attractive destination for tourists to visit. However, the beauty of these attributes has led to increased demand for recreation and tourism-related activities by visitors and residents. According to the *Hawaii State Parks Survey* conducted in 2004, State parks are visited by an estimated 9.2 million users each year, of which 69% are out-of-state visitors (6.3 million) and 31% are residents (2.9 million). While these statistics are for State parks alone, a similar trend of increasing usage is also evident at other sites including less frequented resources such as Natural Area Reserves, Forest Reserves, difficult-to-access beaches, and hiking trails. In addition to usage, there are other factors such as signage, parking, accessibility and other amenities (e.g., restrooms, concessions) that impact the overall quality and condition of each natural resource site in Hawaii. To continue to provide areas to recreate for residents and visitors alike, natural resource sites need to be maintained, and in some cases, restored.

CRITICAL ISSUES

- ***The condition of manmade facilities detracts from the experience at natural resource sites.*** According to the *State Parks Survey*, overall, State park users rate their experience highly - 8.5 on a 10 point scale, with 1 representing "not satisfied" and 10, "outstanding." However, the survey found that park users are generally more highly satisfied with the natural elements of State parks (for instance rating "scenic views" 9.1), than with "value-added attributes" (between 5.5 and 6.5 for food concessions, restrooms and security). While out-of-State visitors rate State parks higher than residents, both segments were found to be equally

dissatisfied with restroom facilities and food concessions. Continued levels of dissatisfaction with these two types of facilities can lead to decreases in both visitor satisfaction levels and residents' quality of life.

While nearly every natural resource site frequented by visitors needs major improvements, HTA's *Natural Resource Assessment* (2004) reported that priority improvements at 23 key sites could cost approximately \$8.5 million, not including funds for planning and design.

- ***There are competing demands for decreasing financial resources.*** While natural resource sites and man-made facilities are in need of upkeep and restoration, the State as a whole has not "reinvested" in one of Hawaii's key attributes. For example, over the past decade, the State Department of Land and Natural Resources' (DLNR) budget alone has decreased 30%, from over \$35 million in 1993 to \$24.5 million in 2003. At the same time, DLNR's scope of responsibility has increased. These added responsibilities reduce monetary resources for land acquisition, planning, improvements and maintenance. Similar programs at the county, federal and private levels have experienced increasing needs and decreasing resources. In addition, the advent of invasive species poses a growing threat to Hawaii's natural environment, especially in light of limited resources.
- ***Even when funds and personnel are put to park and resource maintenance, other challenges arise.*** Clearly, there are even greater priorities (Americans with Disabilities Act - ADA - accessibility and Environmental Protection Agency standards) than park maintenance, which detract from the funding of restroom repair and/or replacement. Another challenge has been that when improvements

such as restroom renovations are made, sometimes the renovated facility is vandalized or destroyed immediately. As a result, park managers must spend their budgets on addressing vandalism instead of general maintenance and repair of facilities.

- ***Improved coordination and collaboration are needed to leverage resources.*** With limited financial and human resources among State, county, federal and private agencies and organizations, maintaining either remotely located natural resources sites or sites that could be better maintained by another agency reflects the need for better coordination and partnerships. For instance, the road through Waimea Canyon State Park is maintained by the State Department of Transportation and is well-paved. However, once the road enters Kokee State Park, the roadway surface is in poor, almost dangerous condition. Clearly, one agency is better suited to maintaining roads than the other. A successful example of interagency coordination was the turnover of the “Magic Island” portion of Ala Moana Park from the State to the City and County of Honolulu.
- ***Increasing usage of sensitive natural resource sites is a cause for concern.*** In an effort to have a unique and memorable experience, travelers are seeking out more isolated, less frequented, “secret” spots. Many of these areas are private lands prohibited to the public; are dangerous for the general public to access; or are culturally, environmentally and/or historically sensitive. Increased use of these areas will increase conflict between the needs of residents, visitors and resources.
- ***There are increasing numbers of irresponsible tour activities in natural resource areas.*** There are many activity providers that are interjecting visitors to previously less-visited natural areas without providing adequate and appropriate education, causing competition with resident users, damaging the natural resources, and putting visitors at risk for health and safety concerns.

STRATEGIC DIRECTIONS

Hawaii’s natural environment is recognized as a very special and unique asset. However, the growing demand for its use by recreational activities is creating capacity and quality issues. Therefore, the strategic planning for this initiative identifies the following objectives:

- ***Improve value-added amenities at natural resource sites*** by:
 - Contracting private food and other concession activities to provide services at public sites.
 - Implementing recommendations developed for priority sites frequented by visitors including interpretative and directional signage, restroom and parking improvements, and other similar developments.
- ***Explore innovative means to repair, maintain and improve Hawaii’s natural resources*** by:
 - Seeking additional sources of funding at the federal, state and county levels to maintain and improve Hawaii’s natural resources.
 - Exploring alternative funding sources such as entry and user fees, private donations, and leasing of more public lands to private entities at market rate.
 - Exploring incentives to private landowners to provide the impetus for making private resources open and accessible to the public.
 - Establishing more park concessions (where appropriate) to provide amenities and services, to provide on-site “security”, and to provide maintenance of restrooms and trash receptacles.
- ***Raise awareness of visitors and residents about the responsible use of natural resources*** by:
 - Supporting efforts that encourage a sense of pride and ownership in Hawaii’s natural resources such as providing signage that describes the natural, cultural and historic value of an area.
 - Expanding adopt-a-park (or trail or beach) programs or developing educational programs on the proper protocol for access to and care of certain sites.

- Enhancing security efforts (e.g., increased personnel, surveillance cameras and gates) to deter vandalism are other efforts for encouraging responsible use (*see also Safety and Security*).
- ***Increase collaboration among government agencies, the visitor industry and the community*** by:
 - Encouraging interagency programs such as the park exchange programs between State and County agencies or among State Departments for improved maintenance of resource sites.
 - Encouraging public-private community programs such as volunteer programs to leverage limited resources and improve maintenance of resource sites.
- ***Raise awareness of commercial operators, information providers and others about the responsible use of natural resources*** by:
 - Providing education and training programs that include accurate information on the natural, cultural and historic significance of various sites, and the proper protocol for access to and care of certain sites (*see also Communications and Outreach*).
 - Providing signage that describes the natural, cultural and historic value of an area.
 - Expanding enforcement efforts to apprehend and prosecute those who do not obtain proper permits or who damage such resources.
- ***Review and enforce rules and develop certification programs for commercial operations in natural resource areas*** by:
 - Reviewing existing rules and developing certification programs which include requirements for adequate environmental and cultural knowledge for activity providers (*see also Workforce Development*).
 - Correcting misinformation and providing accurate information on natural resource sites (*see also Safety and Security*).
 - Protecting access to or even totally restricting access to sites that are deemed critical.

STRATEGIC FRAMEWORK: NATURAL RESOURCES

GOAL

To respect, enhance and perpetuate Hawaii's natural resources to ensure a high level of satisfaction for residents and visitors.

OBJECTIVES

- Improve value-added amenities at natural resource sites.
- Explore innovative means to repair, maintain and improve Hawaii's natural resources.
- Raise awareness of visitors and residents about the responsible use of natural resources.
- Increase collaboration among government agencies, the visitor industry and the community.
- Raise awareness of commercial operators, information providers and others about the responsible use of natural resources.
- Review and enforce rules and develop certification programs for commercial operations in natural resource areas.

Lead:	Government: County, State, Federal and private land management agencies and organizations (e.g., Department of Land and Natural Resources, County Departments of Parks and Recreation, National Parks Service) Private Sector: Nature tourism activity providers, private landowners Community: Environmental organizations (e.g., Hawaii Ecotourism Association, The Nature Conservancy)
Supporting Groups/Agencies:	Office of the Governor, Legislature, County Councils, HTA, other government agencies, other activity providers, residents and visitors
Measures of Success:	Specific to issues related to natural resources, the following measurements provide an indication of success: <ul style="list-style-type: none">• Increased level of funding for the management of Hawaii's natural resources in state and county budgets• Cleaner and well-maintained restrooms at targeted natural resource sites• Safer access and adequate paved parking at targeted natural resource sites• Improvements (quality and quantity) in park concessions (where appropriate)• Improved levels of resident satisfaction with Hawaii's natural resource sites• Improved levels of visitor satisfaction with Hawaii's natural resource sites

STRATEGIC INITIATIVE: RESEARCH AND PLANNING

GOAL: *To perform collaborative research and planning for use in the development of programs, policies and plans that will positively contribute to the State's economy, benefit the community and sustain Hawaii's resources.*

BACKGROUND

Tourism is a complex, multi-faceted industry that encompasses a diverse range of products and services for visitors. As the leading industry in Hawaii, tourism touches nearly every business, government agency and individual (directly or indirectly) in the State, and as such, it affects and is affected by a broad range of programs, planning and policy decisions including those related to: employment, transportation, infrastructure, taxation, trade exports, business development, land use and the environment. Research and planning is critical to the success and sustainability of Hawaii's visitor industry and the quality of life for Hawaii's residents and visitors.

To ensure that Hawaii remains a quality visitor destination and the "best place to live and work," the State must take a proactive approach to tourism. Specifically, a sound research base is critical to ensure that proper planning is done to guide the development of tourism programs, policies and plans that will benefit the State and its community.

CRITICAL ISSUES

- ***Ever-changing events and trends impact tourism.*** Examples of new developments that have arisen which must be addressed include: emerging trends in the airline industry; tightening housing shortage for resident workforce; expansion of alternative accommodations (e.g., timeshare and bed and breakfast operations); and growth of the cruise industry. With such importance to the State, Hawaii's visitor industry must perform ongoing research to identify and understand the impacts and benefits of emerging trends and developments before they happen, establish appropriate policies to address these impacts and develop long-range plans to manage these changes.
- ***Tourism research is conducted by various entities but not often shared.*** Visitor statistics play a significant role in the development of tourism. They address current conditions by providing benchmarks, help to establish targets and indicators of success, and provide guidance for policy-makers. How much visitors spend, where they come from and what they are looking for, are some examples of the types of visitor information needed to ensure that government formulates appropriate programs, policies and plans related to marketing, airlift, infrastructure, natural resources, incentives, and other issues. Current and accurate visitor statistics are valuable to the visitor industry, business sector and community groups to support their business forecasting, investment planning and decision-making. Hawaii must more fully utilize existing research and conduct new studies to gain a clearer picture of where the visitor industry stands currently and where it should move towards for the future.
- ***Current methods do not always capture true public opinion.*** Accurate information (based on sound research) and feedback from the various stakeholders are the two primary elements needed to develop public policies that benefit the State and its people. In Hawaii, everyone is a stakeholder in tourism – residents, private businesses, government agencies and visitors. As such, everyone must have the opportunity to provide feedback on tourism to ensure that policy-makers develop programs and plans that reflect the needs and desires of all. Diversification of methods to garner stakeholder input, such as public hearings, community focus group sessions and resident surveys, is important to ensure a more accurate reflection of all stakeholder opinions.

- ***County-specific strategic plans to address the visitor industry are not available.*** While State plans in the past have been established to manage Hawaii's visitor industry, comprehensive county plans have not been developed. With more focus on the individuality of each county – in terms of attributes and weaknesses as well as resident needs and desires – such plans are needed in coordination with an overall statewide strategic plan for a sustainable tourism industry.

STRATEGIC DIRECTIONS

All stakeholders must take an active role in long-range planning for tourism to ensure that Hawaii remains a quality visitor destination and a great place to live and work. As such, the strategic planning for this initiative identifies the following objectives:

- ***Identify, monitor and address tourism trends, including their impacts and benefits on the State and each community*** by:
 - Continually monitoring and analyzing industry issues, trends, benefits and impacts.
 - Obtaining current and accurate visitor statistics on an ongoing basis.
 - Developing long-range plans, programs and policies, based on current and timely research efforts to attain the vision for Hawaii's visitor industry.
- ***Improve, coordinate and share tourism research among the various entities*** by:
 - Supporting collaborative research and strategic planning to ensure that services and products throughout the State are able to accommodate the needs of both residents and visitors.
 - Sharing research information between all entities and instituting additional or improved research efforts as needed.
 - Fully utilizing available research and developing new studies to provide comprehensive data necessary for proactive planning, program and policy development.

- ***Encourage participation in tourism planning and public policy development by all stakeholders*** by:
 - Seeking feedback through ongoing community meetings, surveys, online input gathering, and other innovative approaches to ensure that research reflects the needs and desires of all stakeholders.
- ***Develop and implement County tourism plans*** by:
 - Using this *State TSP* as a foundation for further discussion with each County to develop county-specific plans.
 - Developing a collaborative process for each island to gather input and set direction for the visitor industry at the county level.

STRATEGIC FRAMEWORK: RESEARCH AND PLANNING

GOAL

To perform collaborative research and planning for use in the development of programs, policies and plans that will positively contribute to the State's economy, benefit the community and sustain Hawaii's resources.

OBJECTIVES

- Identify, monitor and address tourism trends, including their impacts and benefits on the State and each community.
- Improve, coordinate and share tourism research among the various entities.
- Encourage participation in tourism planning and public policy development by all stakeholders.
- Develop and implement County tourism plans.

Lead:	Government: HTA, Department of Business, Economic Development and Tourism, University of Hawaii – School of Travel Industry Management
Supporting Groups/Agencies:	Other government agencies including the Counties, visitor industry organizations and businesses, community organizations, residents and visitors
Measures of Success:	Specific to issues related to research and planning, the following measurements provide an indication of success: <ul style="list-style-type: none">• Action plans by various agencies are prepared, updated and coordinated with other agencies on a regular basis• County tourism plans are prepared, updated and coordinated with other agencies on a regular basis• Emerging issues are identified and analyzed, and appropriate measures and solutions are recommended• Research (public and private) is shared among public and private partners• Stakeholder feedback is obtained through diversified means

STRATEGIC INITIATIVE: SAFETY AND SECURITY

GOAL: *To achieve a safe Hawaii visitor experience.*

BACKGROUND

Hawaii's attractiveness as a leisure destination is highly dependent on the perception that it provides a safe and secure environment for visitors and residents. An increase in crime against visitors to Hawaii or even the perception of such an increase, and the resultant negative publicity about the destination can adversely impact future visitor arrivals and expenditures. This in turn impacts both the tax revenues that support public facilities and services (e.g., health, police and education), as well as the visitor industry jobs that support Hawaii's residents' livelihood and quality of life.

The State Department of the Attorney General released its annual Uniform Crime Report, *Crime in Hawaii*, which shows that the State's Index Crime rate fell 8.9% in 2003. The decrease was primarily attributable to a sizable decrease in the City & County of Honolulu. The *2002 Visitor Satisfaction & Activity Report* found that most of the U.S. West (93.8%), U.S. East (93.6%), Japanese (94.3%), Canadian (91.6%) and European (92.7%) visitors surveyed experienced no problems while in Hawaii. Of the small number of visitors who reported problems, the solicitation by drug dealers was most frequently mentioned. The second highest issue reported was having wallets/purses/valuables stolen. Car theft and break-ins are among the most frequently reported problems for *both* residents and visitors, while larceny is the most common type of "serious" crime and the source of the clearest distinction between visitor and resident self-reported crime on crime victimization surveys.

The terrorist attacks of September 11, 2001 have resulted in increased security procedures at airports and harbors and have made traveling less convenient. Stricter travel policies and concerns for personal safety and convenience have reduced leisure and business travel throughout the world.

CRITICAL ISSUES

- ***People on vacation tend to be less cautious.*** Many visitors let their guard down while on vacation in Hawaii and can inadvertently expose themselves to dangerous situations. With the recent trend of visitors seeking isolated and secret locations suggested by tourist publications and websites, visitors increase their risk for crime and accidents.
- ***The fight against crime is hampered by limited resources.*** Law enforcement agencies need adequate resources and the support of tougher sentencing laws to ensure that repeat criminals will be kept off the streets. The physical presence of law enforcement officials or other measures also help to deter crime, and can help lead to the arrest and conviction of criminals. However, limited resources have hampered attempts to provide these services, and in some communities heavily impacted by tourism, police resources are limited by staffing based solely on the number of full-time residents (versus residents *and* visitors) in the district.
- ***Global conditions dictate increased surveillance and other security measures.*** Terrorist events like the September 11th attacks, health crises like SARS, and other similar emergencies point to a need for increased vigilance and security at all ports of entry, major sites and potential targets.
- ***Increases in drug use and solicitation impact visitor expenditures.*** Increased drug use, especially of crystal methamphetamine or "ice," is impacting crime and worker productivity levels. Eighty percent of violent crimes and domestic violence in Hawaii are ice-related. The solicitation by drug dealers can negatively impact a visitor's experience, as noted in visitor satisfaction surveys.

- ***Despite our best efforts, crime, accidents or other emergencies occur.*** Programs and services to assist visitor victims of crimes, medical emergencies, natural disasters or other adversities are important, as it is impossible to prevent all accidents and crimes from occurring. Coordination between various agencies is needed to anticipate and react to such situations, aid victims and avoid potential negative publicity for Hawaii.

STRATEGIC DIRECTIONS

Personal safety and security will continue to be a major criterion in selecting a destination for leisure as well as business travel. As such, the strategic planning for this initiative identifies the following objectives:

- ***Prevent crime and other adversities by educating visitors, residents and industry workers about the potential risks to health and safety*** by:
 - Providing accurate and responsible information via public sources including websites, vacation planners, in-room videos, and warning signage to counter inaccurate information about health and safety issues in Hawaii (*see also Communications and Outreach*).
 - Developing proactive, educational programs for visitors and residents about safety.
 - Establishing safety education and rescue training programs for those working in the visitor industry so that they can provide accurate information to visitors about safety conditions of hiking trails, beaches and other visitor sites, and quickly address accidents should they occur (*see also Workforce Development*).
- ***Support and strengthen criminal deterrence and law enforcement efforts*** by:
 - Increasing funding to ensure a larger and stronger police presence in tourist areas.
 - Supporting increased use of marked cars or bicycle patrols in heavy visitor areas.
 - Developing crime deterrence measures such as warning signage and fixed camera systems to deter illegal activities.
- Encouraging the collaboration between the visitor industry, government agencies and others to advocate to the appropriate bodies for the following: 1) tougher sentencing laws; 2) more resources for law enforcement personnel; and 3) more resources for other personnel involved in the legal system to ensure that criminals are dealt with in a timely manner.
- Encouraging volunteer programs that enlist residents and businesses such as community policing or neighborhood watch programs.
- ***Implement required homeland security improvements at airports, harbors and other designated areas to ensure the safety of travelers and residents*** by:
 - Providing sufficient resources to constantly monitor the situation and to ensure safe and secure passage through airports, harbors and other transportation corridors and significant sites (*see also Access*).
- ***Address drug abuse and other criminal activities*** by:
 - Supporting rehabilitation services, economic development activities, and other programs that work to combat drug abuse in the community.
- ***Provide assistance to visitors who are victims of crimes, accidents, and other emergency situations or adversities*** by:
 - Supporting statewide visitor assistance programs such as the Visitor Aloha Society of Hawaii (VASH) and its counterparts in each County.
 - Increasing coordination and support between law enforcement agencies, medical organizations, private industry, and visitor assistance groups to expedite and improve services to residents and visitors.
 - Continuing monitoring and preparation efforts to ensure that Hawaii is prepared for any emergency disasters (e.g., conduct annual review and update of the various crisis management plans, coordinate and communicate among those involved in executing the various plans, and schedule training sessions and practice drills on a regular basis).

STRATEGIC FRAMEWORK: SAFETY AND SECURITY

GOAL

To achieve a safe Hawaii visitor experience.

OBJECTIVES

- Prevent crime and other adversities by educating visitors, residents and industry workers about the potential risks to health and safety.
- Support and strengthen criminal deterrence and law enforcements efforts.
- Implement required homeland security improvements at airports, harbors and other designated areas to ensure the safety of travelers and residents.
- Address drug abuse and other criminal activities.
- Provide assistance to visitors who are victims of crimes, accidents, and other emergency situations or adversities.

Lead:	Government: Law enforcement agencies (e.g., police, judiciary, County prosecutors, Department of Land and Natural Resources – Division of Conservation and Resource Enforcement, Transportation Security Administration) Private Sector: Private businesses, hotel security Community: Legal community, neighborhood watch organizations, visitor assistance programs (e.g., Visitor Aloha Society of Hawaii)
Supporting Groups/Agencies:	Legislature and county councils, civil defense agencies, other government agencies, HTA, public and private landowners, residents and visitors
Measures of Success:	Specific to issues related to safety and security, the following measurements provide an indication of success: <ul style="list-style-type: none">• Reduction in the number and types of crimes against visitors• Reduction in the number and types of visitor-related accidents• Increase in the number of law enforcement personnel, resources and visibility in major resort areas• Visitor industry workforce properly trained in safety• Established crisis management plan for visitors

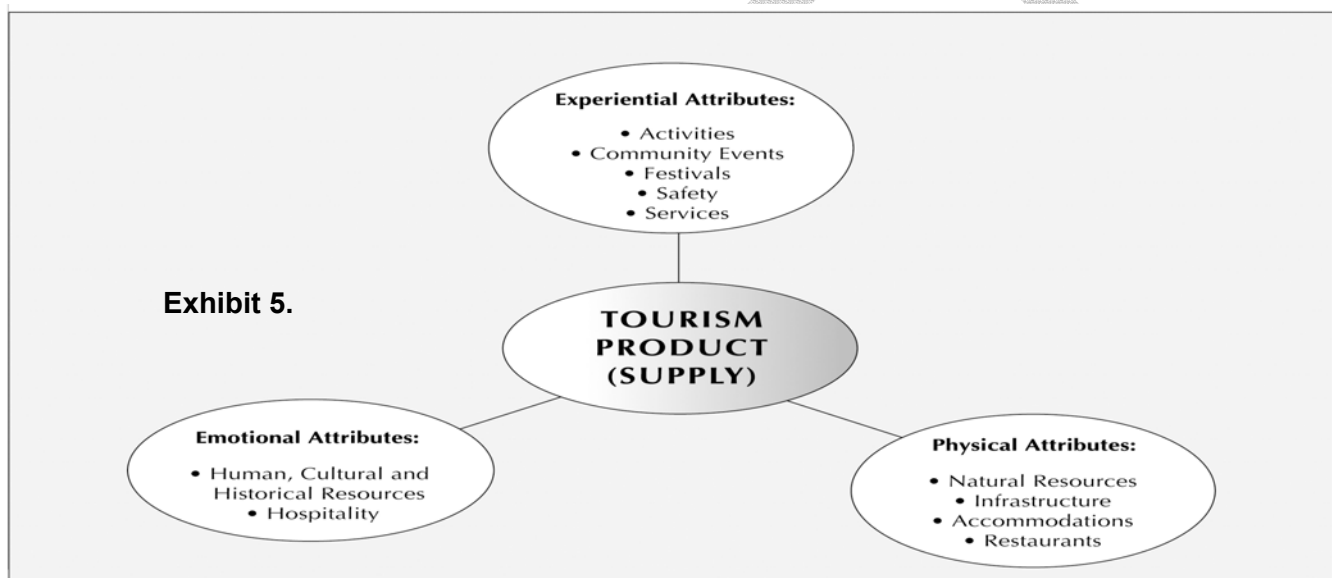
STRATEGIC INITIATIVE: TOURISM PRODUCT DEVELOPMENT

GOAL: *To provide a diverse and quality tourism product unique to Hawaii that enhances the Hawaii visitor experience and enriches residents' quality of life.*

BACKGROUND

The “tourism product” is comprised of all of the various elements – physical, experiential and emotional – that contribute to a destination’s experience. It includes the physical aspects such as the environment, accommodations,

infrastructure, utilities and attractions; the experiential facets such as activities, festivals, dining experiences and events; and the emotional components such as the diversity, history and spirit of a place and its people. Exhibit 5 illustrates the range and diversity of the “tourism product.”



“Tourism product” development is an essential element of a state tourism strategy and will continue to play a vital role in the future growth of Hawaii’s travel industry. In addition to improving the visitor experience, tourism product development efforts can lengthen the time visitors spend in a destination, reduce peaks and valleys of seasonality, ease overcrowding of popular tourism resources, and add value to the existing product mix. Expanding the tourism product inventory can be a means of encouraging repeat visitation or attracting new visitors, as well as a way to increase visitor expenditures without adding arrivals.

In the latest *Hawaii Marketing Effectiveness Study (1st Quarter 2004) (Effectiveness Study)*, Hawaii is rated on a variety of attributes including, but not limited to, “clean environment,” “variety of types/cost places to stay,” “intriguing

culture/history,” and “safe and secure.” These are traits which Hawaii must focus on improving, protecting and supporting, as they represent the characteristics which come into play as potential visitors make travel decisions. For Hawaii’s three largest markets – Western US, Eastern US and Japan – on a scale of one to five with five being positive, Hawaii is rated as follows:

Attribute	U.S.	U.S.	Japan
	West	East	
Clean environment	4.2	4.1	4.0
Variety of places to stay	4.0	3.9	3.7
Intriguing culture/history	3.8	3.7	3.8
Safe and secure	4.4	4.4	4.3

Strong majorities in the 1999, 2001, and 2002 *Resident Sentiment Surveys* have supported: 1) more expenditures to “create new” parks and other

attractions for both residents and visitors; 2) more money to “restore and sustain” these types of parks and attractions; 3) more money to improve infrastructure “in tourist areas;” and 4) using a significant amount of tourism tax revenues for both public improvements in tourism areas and “cleaning up the environment.” Overall, residents are supportive of those activities that improve the tourism product. These enhancements also tend to improve the overall “quality of life” in Hawaii.

Some elements of Hawaii’s tourism product - “Access,” “Hawaiian Culture,” “Natural Resources,” “Safety and Security,” and “Workforce Development” – are addressed as separate initiatives as they have been identified as needing specialized attention. Thus, while recognizing that the tourism product consists of many elements, the focus here is on strategies relating to private infrastructure such as accommodations and attractions, and to the diverse experiential activities offered to visitors in Hawaii.

CRITICAL ISSUES

- **Visitors, especially repeat visitors, want unique, diverse and quality experiences.** As visitors become more sophisticated and well-traveled, and as technology allows for greater ease of travel to long range destinations, visitors’ demand for different and authentic experiences increases. In Hawaii’s case, the State’s visitor mix includes about 60% of “repeat” visitors, some of whom have been to Hawaii many times. Importantly, Hawaii’s visitors’ satisfaction levels remain high. However, they are also looking for new and unique experiences. Examples of attributes that fulfill this include attending an event unique to Hawaii such as the Aloha Festivals, meeting local residents at a community fair, learning the history behind that particular site, and tasting Hawaii’s regional cuisine.

According to the *Effectiveness Study*, Hawaii rates slightly lower on having “always more; come back,” “variety/unique experiences” and “different experience than other places” than it does on several of the other significant product characteristics:

Attribute	U.S.		U.S.
	West	East	Japan
Always more	3.7	3.7	4.3
Variety/unique experiences	3.7	3.7	3.9
Different experience	3.7	3.6	3.9

- ***Some of Hawaii’s physical amenities are in need of repair, rejuvenation or redevelopment.*** With visitors becoming more sophisticated and competing destinations developing exciting new hotels and attractions, keeping the major physical elements of Hawaii’s tourism product up-to-date, competitive and in line with visitor expectations is critical. Accommodations, attractions, restaurants, retail operations and the like face a tremendous challenge because of the commitment required to continually maintain and reinvest in a property when land, business and construction costs in Hawaii are so high. While Hawaii offers a wide range of physical products for visitors and residents, and much work has been accomplished in recent years, few new products have been developed and many existing ones are in need of refurbishment. Public improvements such as those completed for Kuhio Beach, and private renovations such as those done by the Hilton Hawaiian Village Resort, all add to Hawaii’s desirability as a destination.
- ***Visitors are focusing on specific interests and products in their destination planning decisions.*** Many visitors to Hawaii were once content to bring home a good tan. As travelers become more sophisticated and with increased accessibility to other areas of the world, the State must attract visitors with specific interests by identifying key assets of Hawaii that already exist and organizing and marketing those elements to targeted audiences. Opportunities abound for broadening Hawaii’s appeal by expanding existing or developing new niche products such as culture and the arts, sports, nature, agriculture, heritage and educational tourism. The potential for inter-industry promotions (e.g., agriculture and tourism) can be explored through combined business development strategies and marketing activities. Research efforts are needed to ensure that targeted niche products are in line with market needs and reach. Coordination and collaboration between product development

and marketing efforts also becomes critical to address this change in Hawaii's visitor industry.

STRATEGIC DIRECTIONS

Hawaii's "tourism product" is a diverse range of product and service offerings provided by individual businesses, community groups, industry organizations, and government agencies. However, it must be constantly rejuvenated, renovated, and re-designed to continue to meet the needs and demands of the ever-changing traveler. The strategic directions identified to meet these "demands" include the following (*see also initiatives relating to Access, Hawaiian Culture, Natural Resources, Safety and Security, and Workforce Development*):

- ***Develop new, and strengthen existing experiential visitor activities and products*** by:
 - Conducting ongoing research of current tourism product activities to determine Hawaii's competitive position against other destinations, to assess the quality of these "products," and to identify appropriate activities and products to best meet Hawaii's needs (*see also Research and Planning*).
 - Supporting programs that attract visitors to Hawaii to participate in or attend the activity (e.g., Aloha Festivals and Honolulu Festivals), that are unique to Hawaii, and provide opportunities for visitor-resident interaction.
 - Enhancing existing and expanding new community-based programs, activities and events which provide resident-visitor interaction, while supporting the development of targeted niche markets throughout the State and on a year-round basis (*see also Communications and Outreach*).
- ***Develop new, and rejuvenate existing physical elements of the tourism product*** by:
 - Encouraging public and private entities who oversee or own physical elements of Hawaii's tourism product (e.g., hotels and attractions) to undertake improvements, renovations, and new developments to ensure a competitive, quality tourism product.
- Supporting those who undertake such efforts through tax incentives, land use and planning policies, public-private partnerships, access to venture capital, expedited permitting process, and other like programs.
- Developing new and improving existing systems to monitor quality and foster excellence in facilities and services.
- ***Identify and support niche products with potential for successful market development*** by:
 - Encouraging collaboration between tourism product providers and those who market the State to work together to promote Hawaii's unique and diverse product offerings through programs such as "Hawaii Arts Season" and "Kauai Festivals" (*see also Marketing*).
 - Conducting research to identify and address barriers to the development of new market niches on an ongoing basis (*see also Research and Planning*).
 - Conducting research to identify appropriate niche products for development based on critical mass of quality products, market potential, ability to reach the target market through established marketing vehicles, and other similar criteria (*see also Marketing and Research and Planning*).
 - Encouraging multi-industry development programs such as cooperative programs between Hawaii's agricultural products and tourism, or using Hawaii's culture and arts offerings to support tourism marketing.

STRATEGIC FRAMEWORK: TOURISM PRODUCT DEVELOPMENT

GOAL

To provide a diverse and quality tourism product unique to Hawaii that enhances the Hawaii visitor experience and enriches residents' quality of life.

OBJECTIVES

- Develop new, and strengthen existing experiential visitor activities and products.
- Develop new, and rejuvenate existing physical elements of the tourism product.
- Identify and support niche products with potential for successful market development.

Lead:	Government: County agencies, State agencies, HTA Private Sector: Visitor industry businesses (hotels, attractions, retail) Community: Community groups and organizations
Supporting Groups/Agencies:	Business organizations, activity providers and other product development organizations and businesses, residents and visitors
Measures of Success:	Specific to issues related to the tourism product, the following measurements provide an indication of success: <ul style="list-style-type: none">• Improved visitor satisfaction survey responses for specific products• Improved resident sentiment survey responses• Diverse product offerings spread throughout the State and throughout the year

STRATEGIC INITIATIVE: WORKFORCE DEVELOPMENT

GOAL: *To ensure a highly-qualified workforce that is provided with meaningful careers and advancement opportunities.*

BACKGROUND

Tourism generates one out of every five jobs in Hawaii, according to the State Department of Business, Economic Development and Tourism (DBEDT). Tourism provides jobs in hotels, restaurants, airlines, car rental companies, airport operations, security services, retail stores, entertainment and numerous operations that provide goods and services to travelers. In 2002, an estimated 160,787 civilian jobs statewide were supported directly and indirectly by visitor expenditures, accounting for 22.3 percent of the total jobs provided by the State's economy.

This initiative – workforce development – identifies the need to ensure that there are sufficient education, training and advancement opportunities to prepare individuals for employment in the industry. Specifically, employees in the visitor industry must have the appropriate training to successfully do their job, as well as have opportunities for ongoing education and career advancement. In addition, employers need a sufficient number of qualified and motivated workers that will provide high levels of service to Hawaii's visitors.

CRITICAL ISSUES

- ***A sizable and qualified workforce is essential.*** As the economic mainstay of Hawaii, tourism provides numerous and diverse employment opportunities and requires a sufficient number of qualified workers. Hawaii continues to lead the nation with the lowest unemployment rate (3.1 percent for June 2004), and the visitor industry must attract new employees to maintain an adequate workforce. Programs that provide residents with travel and tourism education and training are needed statewide. Currently, the Academy of Travel and Tourism (AOTT) program for high school juniors and seniors is offered at selected schools on Maui,

Kauai and Oahu. The University of Hawaii's School of Travel Industry Management (UHTIM) and the University of Hawaii's Community Colleges System (UHCC) provide college students on some islands with training and opportunities to work in the visitor industry. Hawaiian cultural training programs, such as the one developed specifically for tour bus drivers by UHCC, and programs that provide residents with language skills needed to work in the visitor industry must also be offered statewide.

- ***Industry employees need ongoing training to keep up with the needs of visitors and employers.*** Hawaii's visitor industry workforce is the "front line" to share Hawaiian values, such as *hookipa* and *aloha*, with all visitors. However, many employees, general managers and hotel owners lack sufficient knowledge and/or training about Hawaiian culture and Hawaii in general (e.g., the natural environment). Additionally, because Hawaii receives visitors from all around the world, it is important that the workforce be properly trained to provide a high level of service to accommodate the diverse needs of various travelers, while respecting the different cultural protocol. Managerial training for hotel employees and safety training, especially for those offering outdoor recreational activities to visitors, are also important to ensure a high-quality workforce and level of service.
- ***While career advancement opportunities are available, many are unaware of the possibilities.*** There is the perception for some residents that although the visitor industry offers a wide range of employment opportunities, many are low-paying and unskilled jobs, with only a limited number of top-level positions being filled by local residents. The 2002 *Survey on Resident Sentiments* found that 65% of those surveyed

agreed with the statement: “Most tourism jobs don’t have much opportunity for advancement,” and 61% agreed that “the best tourism jobs go to outsiders a lot more than to local people.” The survey also revealed some residents’ belief that tourism employees work poor hours or only part of the year. Public awareness for the actual career opportunities offered by the visitor industry must be enhanced to improve the perception of industry jobs and to encourage residents to seek employment.

STRATEGIC DIRECTIONS

Visitors today come from a greater variety of countries, have higher expectations and have a number of vacation options from which to choose. For this reason, a highly qualified and educated workforce is essential. In addition, those working in the visitor industry must have sufficient training, education and employment opportunities available to keep them motivated and performing at a high level. Therefore, the strategic planning for this initiative identifies the following objectives:

- ***Provide an adequate source of quality workforce to support the needs of Hawaii’s visitor industry*** by:
 - Increasing collaboration and communication between the visitor industry and the educational institutions regarding tourism planning (industry needs) and human resource planning.
 - Increasing communication, support and collaboration between the visitor industry, employee training providers (such as the DLIR and other private businesses), educational institutions (such as the UH-TIM, UHCC, AOTT program and high schools) as well as labor unions.
 - Encouraging visitor industry professionals to visit schools and talk to students about the types of jobs and advancement opportunities offered by the visitor industry (*see also Communications and Outreach*).
- ***Strive for a well-trained and educated visitor industry workforce*** by:
 - Providing accurate information about the visitor industry career opportunities

available (*see also Communications and Outreach*).

- Developing new and supporting existing educational programs that are focused on topics such as Hawaiian culture and hospitality, Hawaii’s natural environment, foreign cultures and languages, safety and rescue training and hotel managerial training.
 - Expanding existing and developing new visitor industry workforce training programs at all levels focusing areas that support advancement opportunities such as multi-cultural knowledge, foreign language training, Hawaiian cultural education, and management skills.
- ***Strive for communities to have sufficient employment and advancement opportunities within the visitor industry*** by:
 - Developing communication and outreach programs to provide a more accurate and comprehensive picture of the diverse range of career opportunities available within the industry (*see also Communications and Outreach*).
 - Supporting ongoing education and training opportunities for the visitor industry workforce.

STRATEGIC FRAMEWORK: WORKFORCE DEVELOPMENT

GOAL

To ensure a highly-qualified workforce that is provided with meaningful careers and advancement opportunities.

OBJECTIVES

- Provide an adequate source of quality workforce to support the needs of Hawaii's visitor industry.
- Strive for a well-trained and educated visitor industry workforce.
- Strive for communities to have sufficient employment and advancement opportunities within the visitor industry.

Lead:	Government: Department of Labor and Industrial Relations, University of Hawaii – School of Travel Industry Management, University of Hawaii Community Colleges, Academy of Travel and Tourism, Department of Education Private Sector: Visitor industry businesses, Activities and Attractions Association of Hawaii Community: Unions
Supporting Groups/Agencies:	Other government agencies, educational institutions, visitor industry businesses, business organizations, residents and visitors
Measures of Success:	Specific to issues related to workforce development, the following measurements provide an indication of success: <ul style="list-style-type: none">• Increase in the number of educational programs on Hawaii's natural environment and Native Hawaiian culture and hospitality, international culture and language, management, and safety and rescue training available• Regular coordination between the visitor industry and training/education providers• Survey of resident sentiments regarding job opportunities within the visitor industry remains positive and/or improves• Visitor satisfaction surveys regarding service levels of visitor industry workforce remains positive and/or improves• Higher enrollment in AOTT and UH TIM programs• More Travel Industry Management courses provided statewide